

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET AND LEGISLATIVE ANALYST

1390 Market Street, Suite 1150, San Francisco, CA 94102 (415) 552-9292
FAX (415) 252-0461

October 31, 2025

TO: Budget and Finance Committee

FROM: Budget and Legislative Analyst



SUBJECT: November 5, 2025 Budget and Finance Committee Meeting

TABLE OF CONTENTS

Item	File	Page
4	25-1027 Lease Amendment - Clear Channel Outdoor, LLC d/b/a Clear Channel Airports - Airport Advertising Lease - Adding Premises Solely for Promotion of Large Sporting Events.....	1
5	25-1052 Commercial Lease Agreement - Mel's Drive-In - 801 Mission Street - Estimated Revenue \$1,908,684	8
6	25-1025 Contract Amendment - Lystek International Limited - Class A Biosolids Management Services - Not to Exceed \$36,670,000	15
7	25-1026 Contract - ARAMARK Correctional Services, Inc. - Jail Food Services - Not to Exceed \$22,000,000.....	21

Item 4
File 25-1027

Department:
Airport

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution approves the third amendment to the lease between the San Francisco International Airport (Airport) and Clear Channel Outdoor, Inc. (Clear Channel) for the addition of premises specifically for advertising of large sporting events, primarily the Super Bowl 2026 and 2026 FIFA World Cup. The lease amendment establishes a new percentage rent structure of 65 percent of gross revenues for the additional premises. There is no change to the 12-year and 10-month lease term, which ends in October 2027.

Key Points

- In May 2013, the Board of Supervisors approved a resolution between Clear Channel and the Airport for the placement of commercial advertising at the Airport for an eight-year term with a Minimum Annual Guarantee (MAG) rent of \$10 million.
- Under the proposed amendment, Clear Channel will be able to use additional locations and advertising equipment at the Airport for advertising large sporting events. Additional locations for the advertising have not been identified, but the Airport Director will approve all final advertising content, locations, and equipment.
- Clear Channel will pay a percentage rent equal to 65 percent of gross revenues from the advertising on the additional premises, which was a negotiated rate based on staff discussions, institutional knowledge, and a survey of comparable rates at other airports.

Fiscal Impact

- The projected percentage rent in 2026 for the additional sporting event promotional premises is approximately \$1.3 million (65 percent of an estimated two million in gross revenue), which would result in a transfer to the General Fund of \$195,000. The total estimated rent for 2026 and 2027 for the existing and additional premises is \$28.5 million, which would result in a transfer to the General Fund of approximately \$4.3 million.

Policy Consideration

- The current lease does not require Clear Channel to pay the greater of percentage rent or a MAG for the existing leased premises, unlike other concession leases at the Airport. Assuming a percentage rent structure of 65 percent, we found that the percentage rent would have exceeded the MAG rent in seven of the ten years, which could have resulted in an additional \$20.6 million in revenue to the Airport, \$3.1 million of which would have gone to the General Fund. We recommend the Airport consider incorporating both a percentage rent and MAG rent structure in the next RFP issuance for the advertising lease.

Recommendation

- Approve the proposed resolution.

MANDATE STATEMENT

Charter Section 9.118(c) requires that any lease having anticipated revenue of \$1,000,000 or more be subject to approval of the Board of Supervisors.

BACKGROUND

In May 2013, the Board of Supervisors approved a resolution between Clear Channel Outdoor, Inc. (Clear Channel) and the San Francisco International Airport (Airport) for the placement of commercial advertising at the Airport for an eight-year term with a Minimum Annual Guarantee (MAG) rent of \$10 million (File 13-0072). The development term occurred from July 1, 2013 to December 31, 2014.¹ The lease's operating term commenced on January 1, 2015, thus setting an expiration date of December 31, 2022.

In January 2021, the Board of Supervisors approved an ordinance authorizing the COVID-19 Emergency Rent Relief Program for Airport concession tenants, which allowed the Airport to approve the first amendment to the existing Clear Channel lease and waive MAG rent payments for March through May 2020² (File 20-1278). The Airport continued the lease on a month-to-month holdover basis through April 30, 2024, after its expiration on December 31, 2022. The Airport states that they did not want to issue a Request for Proposals after the term expired because of the economic impact of the pandemic, which they anticipated would have resulted in lower bids.

In April 2024, the Board of Supervisors approved the COVID-19 Lease Extension Program for certain service concession, food and beverage, and retail tenants, which allowed the Airport to provide lease extensions of up to three and one-half years to eligible tenants, which included Clear Channel (File 24-0049). Consequently, this authorized the second amendment to the lease, which extended the term for three and one-half years from May 1, 2024 to October 31, 2027.³

DETAILS OF PROPOSED LEGISLATION

The proposed resolution approves the third amendment to the lease between the Airport and Clear Channel for the addition of premises specifically for advertising of large sporting events

¹ Under the lease, Clear Channel must first refurbish, redecorate and modernize the interiors and exteriors of the advertising spaces at Clear Channel's expense, prior to commencement of the operating term of the lease. Clear Channel completed this in December 2014. During this initial refurbishment period (development term), Clear Channel would be responsible for paying the Airport advertising revenues equal to \$833,333 per month, or \$10,000,000 annually, which is based on the lease's Minimum Annual Guarantee (MAG) rent.

² Only MAG rent was waived in March 2020. MAG rent and all payments for fees and utilities were waived in April and May 2020.

³ The second amendment also included a requirement for the tenant to install permanent equipment in several locations in Harvey Milk Terminal 1 by October 31, 2024. The Airport states that the tenant met the deadline and installed the required equipment. In addition, the second amendment updated standard lease provisions.

(sporting event promotional premises), such as Super Bowl 2026 and 2026 FIFA World Cup. The lease amendment establishes a new percentage rent structure of 65 percent of gross revenues for the additional premises. There is no change to the lease term, which ends in October 2027.

The proposed lease changes are summarized in Exhibit 1 below.

Exhibit 1: Proposed Amended Lease Provisions

Provision	Current Lease	Proposed Amendment
Premises	Terminal Buildings including lobby, concourses and boarding areas on the departure level and arrivals level, certain areas in the parking connectors, Air Train bridges, and Rental Car Center, as detailed in the lease's Exhibit A. Current square footage as of October 2025 is 10,916	Additional Sporting Event Promotional Premises designated by the Airport Director in writing (specific locations to be determined) No change to the existing premises.
MAG Rent	\$10 million	No change
MAG Adjustment	Annually based on CPI	No change
Percentage Rent	None	No change for existing premises (no percentage rent) 65 percent of gross revenues for additional proposed Sporting Event Promotional Premises
Term	January 1, 2015 through October 31, 2027 as follows: Eight-year base operating term: January 1, 2015 – December 31, 2022 Holdover period: January 1, 2023 – April 30, 2024 COVID-19 Lease Extension: May 1, 2024 – October 31, 2027	No change
Deposit Amount	50 percent of MAG	No change

Source: Airport and Lease Documents

Leased Premises and Site Usage

Under the proposed amendment, Clear Channel will be able to use additional locations and advertising equipment at the Airport not listed in the current lease specifically for advertising large sporting events (sporting event promotional premises), primarily the Super Bowl 2026 and 2026 FIFA World Cup.⁴ This entails installing, managing and operating, and displaying commercial advertising using various media types, such as traditional print installations, digital signage, or interactive video displays. In addition, the tenant will pay for all advertising equipment and costs incurred in making any improvements or changes to advertising equipment used for the additional sporting event promotional premises.

According to the Airport, specific additional locations for the advertising have not been identified, as the tenant has not sold them yet but will begin the process if the proposed resolution is approved and executed. The Airport states that Clear Channel has interested buyers lined up for both events. All advertising content and equipment for the additional sporting event promotional premises must be reviewed by the Airport Design Review Committee⁵, which makes recommendations to the Airport Director, and comply with the Airport's Advertising Standards Policy⁶. Final advertising content and equipment must be approved by the Airport Director, subject to all lease requirements and memorialized by letter agreement.

According to the Airport, Clear Channel currently advertises in 148 locations comprising approximately 10,916 square feet of advertising space at the Airport; however, the number of locations may fluctuate based on construction activity. Under Exhibit A of the current lease, Clear Channel is allowed a total of 179 specified advertising locations in the Terminal Buildings including lobby, concourses and boarding areas on the departure level and arrivals level, certain areas in the parking connectors, Air Train bridges and stations, and Rental Car Center. The existing lease stipulates that the tenant must use reasonable commercial efforts to occupy at least 75 percent of all Airport advertising spaces and charge an average minimum rate equal to or exceeding \$2,500 per month for each advertising display. The tenant is not meeting this occupancy goal. According to the Airport, the current occupancy rate is approximately 40 percent because several advertising locations are undesirable and difficult to lease due to sparse passenger traffic (such as connector areas or locations at the end of each boarding area). Because of these challenges, the Airport believes the 40 percent occupancy rate is acceptable, particularly given the fixed MAG rent structure (as described below). The Airport states that advertisements on the existing premises are currently approximately 70 percent traditional print installations and 30 percent digital displays.

⁴ Super Bowl 2026 is set to occur on February 8, 2026 at Levi's Stadium in Santa Clara. Six matches of the FIFA World Cup are scheduled for June and July 2026 at Levi's Stadium

⁵ The Airport's Design Review Committee is comprised of five members appointed by the Airport Director, which currently includes the Airport's Chief Development Officer, Director of Planning and Environmental Affairs and Former Director of Museum, as well as a private architect and private interior design consultant.

⁶ The Airport Advertising Standards Policy was approved by the Airport Commission in June 2000. It includes provisions such as the prohibition of advertising alcohol or tobacco, gambling, etc.

The Airport states that Clear Channel can use the existing premises detailed in the current lease for the sporting event promotional advertising; however, the locations for the additional premises will likely be more desirable for buyers and the Airport will be able to share in the revenues from the advertising on the additional premises.

Rent Structure

Minimum Annual Guarantee for Existing Premises

Under the current lease, Clear Channel is only required to pay the Airport rent equal to a MAG of \$10 million annually, with annual adjustments based on the Consumer Price Index (CPI). Clear Channel is not required to pay percentage rent to the Airport for the existing leased premises. The lease also states that the adjustment to the MAG cannot result in a lower MAG than the previous year, unless the total number of square feet of advertising is reduced by greater than 10 percent.

Percentage Rent Determination for New Premises

Under the proposed amendment, Clear Channel will pay a percentage rent equal to 65 percent of gross revenues from the advertising on the additional sporting event promotional premises. According to the Airport, the percentage rent of 65 percent was a negotiated rate based on staff discussions and institutional knowledge, as well as results from a survey administered in May 2025 by Phoenix Sky Harbor International Airport showing comparable rates at large-hub airports.⁷ Clear Channel must submit a monthly sales report showing all gross revenues from the sporting event promotional premises for the previous month. The tenant is also required to submit a year-end revenue report certified by an independent Certified Public Accountant (CPA).

In addition, according to the Airport, Clear Channel is only required to pay percentage rent and not MAG rent on the additional sporting event promotional premises due to the difficulty in estimating valuation because the specific locations and advertising types have not yet been identified. Under the proposed amendment, the tenant may also deduct up to \$100,000 from gross receipts for production and installation-related costs (e.g., set-up, demolition), as reviewed and approved by the Airport.

FISCAL IMPACT

According to the Airport, under the proposed lease amendment, the projected percentage rent in 2026 for the additional sporting event promotional premises is approximately \$1.3 million (65 percent of an estimated two million in gross revenue), which is based on Clear Channel's preliminary assessment of interested buyers in the pipeline. However, the Airport states this projection is challenging to forecast and should not be considered a guarantee.

The Airport states that Clear Channel has paid a total of \$147.6 million in MAG rent since July 2013 (\$15 million from the development period of July 1, 2013 to December 31, 2014 and \$132.6

⁷ The Airport states they did not administer an in-house survey because of time constraints.

million from January 2015 through December 2025⁸). Approximately \$22.1 million of the \$147.6 million is transferred to the City's General Fund.⁹ Over the remaining term of the lease (from January 2026 to October 2027), the total value of the MAG rent for the existing premises is projected to be \$27.2 million (assuming CPI adjustment of three percent annually).

As shown in Exhibit 2 below, the total estimated rent for 2026 and 2027 is \$28.5 million, including rent of \$27.2 million for the existing premises and estimated rent of \$1.3 million for the additional premises. The projected \$28.5 million in rent would result in a transfer to the General Fund of approximately \$4.3 million.

Exhibit 2: Total Estimated Rent under Proposed Lease Amendment, 2026 and 2027

Year	Existing Premises (MAG only)	Proposed Additional Premises (Percentage Rent Only)	Total Estimated Rent
2026	\$14,631,960	\$1,300,000	\$15,931,960
2027 (10 months)	12,559,099		12,559,099
Total	27,191,058	1,300,000	28,491,058

Source: Airport

POLICY CONSIDERATION

As previously mentioned, the current lease does not require Clear Channel to pay the greater of percentage rent or a MAG for the existing leased premises, which is unlike most concession leases at SFO and other airports both in 2013 and today. For this reason, we recommended the Board of Supervisors reject the original lease because the lease did not maximize revenues to the Airport and the General Fund. According to the Airport, the current lease includes a MAG rent only because the Airport Director at the time wanted to minimize visual clutter and advertising and believed that a percentage rent structure would incentivize the tenant to pursue additional advertising locations to obtain higher revenues. Prior to 2013, Clear Channel's advertising lease with the Airport required Clear Channel to pay the greater of a MAG or 70 percent of gross sales.

We reviewed data provided by Clear Channel to the Airport on gross revenues received from 2015 to 2024 for the existing leased premises. Assuming a percentage rent structure of 65 percent, we found that the percentage rent would have exceeded the MAG rent in seven of the ten years, or 70 percent of the time, which could have resulted in an additional \$20.6 million in revenue to the Airport, \$3.1 million of which would have gone to the General Fund. Consequently, we recommend the Airport consider incorporating both a percentage rent and MAG rent structure in the next RFP issuance for the advertising lease, which will occur in 2026 in anticipation of the current lease's expiration in October 2027.

⁸ The CY 2025 MAG rent of \$14,205,786 was determined in November 2024

⁹ The Airport makes an Annual Service Payment to the City's General Fund, equal to 15 percent of concession revenues.

RECOMMENDATION

Approve the proposed resolution.

Item 5 File 25-1052	Department: Municipal Transportation Agency
EXECUTIVE SUMMARY	
Legislative Objectives - The proposed resolution would retroactively approve a commercial lease agreement between the San Francisco Municipal Transportation Agency (MTA), as landlord, and San Francisco C&C, doing business as Mel's Drive-In (Mel's), as tenant, for 5,720 square feet of retail space within Fifth and Mission Garage for an initial five-year term commencing on September 1, 2025, and expiring on August 31, 2030, with one five-year option to extend the term. Key Points - MTA advertised the space for lease to the public on its website from October 2024 to July 2025, and Mel's was the only respondent. MTA did not issue a request for proposals or work with a broker to find potential tenants. - The prior lease set a fixed base rent with yearly adjustments. However, due to COVID-19, MTA reports it verbally amended all retail leases from fixed rent to rent based on eight percent of gross sales. The amendments were never documented. The proposed new lease maintains the eight percent rent on gross sales. The lack of a fixed rent component of this lease is unusual for MTA and as compared to Airport and Port restaurant leases, however the proposed eight percent rent appears reasonable. Fiscal Impact - The proposed commercial lease agreement is for an initial five-year term, resulting in an estimated \$1,908,684 in revenue to MTA. This revenue would be used to fund transportation operations. Policy Consideration - Our review of this lease identified internal control weaknesses in MTA's lease management practices, specifically concerning lease documentation, solicitation processes, and the lack of written policies. MTA should (1) Develop and implement written policies and procedures governing lease and other real estate transactions, modeled on best practices from departments such as the Port of San Francisco. These policies must include clear guidelines for the solicitation/RFP process, standardized lease terms, and requirements for documenting all property transaction documents in writing and (2) Review all leases modified informally during the pandemic to determine whether any other lease amendments were executed that lack formal documentation or that required the Board of Supervisors' approval. In the future, MTA should document all contracts and contract amendments in writing and obtain approval from the appropriate government entities. The manager of MTA's Real Estate Division was hired in the Summer of 2025, which provides an opportunity to modernize the division's policies, procedures, and practices. Recommendation - Approval of the proposed lease is a policy matter for the Board of Supervisors.	

MANDATE STATEMENT

City Charter Section 9.118(c) states that any lease, modification, amendment, or termination of a lease that had an initial term of ten years or more, including options to extend, or that had anticipated revenues of \$1 million or more is subject to Board of Supervisors approval.

BACKGROUND

The Fifth and Mission Garage is owned by the City and is under the jurisdiction of the San Francisco Municipal Transportation Agency (MTA). The facility provides approximately 2,585 parking spaces and includes 19 commercial retail spaces totaling 26,829 square feet. In Fiscal Year 2024-25, the retail tenants in the garage generated over \$1.2 million in revenue for MTA.

San Francisco C&C, a California general partnership doing business as Mel's Drive-In (Mel's), has been a tenant of Suites N and O within the commercial retail space within the Fifth and Mission Garage since 2000. The previous lease began in September 2000 with an initial term of 124 months and three 5-year options to extend, for a total term of 25 years and three months. The existing lease expired on August 31, 2025.

The garage at Fifth and Mission Streets has 19 commercial suites, of which 15 are occupied.

Tenant Selection

MTA advertised the space for lease to the public on its website and outside the restaurant premises from October 2024 to July 2025, and Mel's was the only respondent. According to MTA staff, this is MTA's typical approach to soliciting new tenants, though the Agency may also issue requests for proposals for spaces that it believes are highly marketable due to location and minimal need for tenant improvements. MTA did not work with a broker to identify potential tenants because MTA's Real Estate Division staff have broker licenses and the department can save money on commission costs. MTA determined that retaining the existing tenant was advantageous due to their positive performance under the prior lease, including timely rent payments and premises maintenance.

On October 7, 2025, the MTA Board of Directors approved and authorized the Director of Transportation to execute the proposed commercial lease agreement.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would retroactively approve a commercial lease agreement between the San Francisco Municipal Transportation Agency (MTA), as landlord, and San Francisco C&C, doing business as Mel's Drive-In (Mel's), as tenant, for 5,720 square feet of retail space within Fifth and Mission Garage for an initial five-year term commencing on September 1, 2025, and expiring on August 31, 2030, with one five-year option to extend the term. The resolution should be amended to state that the Board of Supervisors' approval is retroactive.

Exhibit 1 summarizes the key terms of the proposed lease agreement

Exhibit 1: Summary of Proposed Lease Provisions

Provision	Prior Lease	Proposed Lease Terms
Premises	801 Mission Street (Suites N & O), approx. 5,720 sq. ft.	801 Mission Street (Suites N & O), approx. 5,720 sq. ft.
Lease Term	Ten years (July 1, 2020 – August 31, 2010), with three five-year options to extend through August 31, 2025	Five years (September 1, 2025 – August 31, 2030)
Options to Extend	None; Amend No. 4 exercised the final option to extend	One five-year option to extend
Permitted Use	Commercial space serving traditional "American Food" cuisine	Commercial space serving traditional "American Food" cuisine between 7am and 11pm on Sunday to Thursday and between 7am and 3am on Friday and Saturday
Base Rent (Initial Term)	Year 1: \$48 per square foot, plus 3% annual escalation	Percentage rent equal to 8% of monthly gross revenues
Base Rent (Extension Term)	Year 20: \$422,092.80 annually (\$73.79 per square foot), with 3% annual increase	8% of gross revenues, but if assigned/sublet prior to extension: \$20,020.00/month base rent (adjusted annually by 4%) plus 4% of monthly Gross Revenues
Security Deposit	\$22,880.00	\$22,880.00
Utilities	Tenant's responsibility	No change
Janitorial Services	Tenant's responsibility	No change
Maintenance and Repairs	Tenant's responsibility except for foundations, common utility lines/sprinkler mains, and structural portions of the Center	Tenant's responsibility
Proportionate Common Area Costs	Tenant to pay MTA proportionate share of common area costs	Tenant to pay MTA proportionate share of common area costs, estimated at approximately \$10,000 based on prior year
Tenant Improvements	Tenant accepts the premises "as-is"	Tenant accepts the premises "as-is" and agrees to evaluate the entrance and comply with the SF Accessible Business Entrance Program (estimated at \$10,000)
Real Estate Taxes and Fees	Tenant's responsibility	No change

Source: MTA

Rent Structure and Comparison to Prior Lease

The previous agreement (2000-2025), including all four amendments, established a fixed base rent structure with yearly adjustments, but no portion of the rent was based on a percentage of gross sales. The initial rent in April 2000 was \$48 per square foot, which was increased to \$73.79 per square foot in August 2020, with three percent annual escalations.

However, according to MTA, fixed rent was only paid until December 2020. Due to the COVID-19 pandemic, MTA reports that all of MTA's retail lease agreements either shifted to a percentage of gross sales and/or were provided rent forgiveness. The previous lease agreement was never formally amended to reflect this change and neither were MTA's other leases. MTA staff state that due to the state of emergency and capacity constraints (both internal and Citywide) during the pandemic, they were unable to formally document these changes across their portfolio at the time, intending instead to formalize the rent structures as leases came up for renewal.

MTA has been collecting rent as eight percent of gross sales since February 2021. According to MTA, the eight percent of gross sales rent structure was based on a survey of other restaurant leases, however staff were unable to locate the survey. The proposed agreement formalizes the eight percent rent structure. There is no minimum monthly rent in the initial term or extension term. However, if the lease is assigned or sublet prior to extension, the base rent is \$20,020.00/month (adjusted annually by four percent) plus four percent of monthly gross revenues.

MTA states that the tenant was not willing to pay a fixed base rent due to current market conditions including a 35 percent office vacancy rate in Q1 2025 and a decline in foot traffic and business activity in the neighborhood. At the same time, MTA staff noted that, while this lease is proposed as a percentage-only lease, they believe most of their other leases maintain a fixed rent structure. We requested a list of all MTA commercial leases to understand their rent structure however staff were unable to provide that information.

Fair-Market Comparison

MTA provided an analysis using Costar data from May 2025 to demonstrate that the current fair-market rate is \$30.44 per square foot per year, based on two transactions in Daly City. Our review of publicly available asking rents for restaurant space in San Francisco similarly found that landlords were asking for \$30 per square foot. The eight percent rent applied to current gross sales would result in an effective rent of approximately \$66.73 per square foot per year, if the tenant maintains its current level of revenues, which is twice the current fair-market rent.

Comparison to Other City Leases with Restaurants

The Airport reported to our office in 2024 that the average percentage rent rate for food and beverage tenants was 13 percent in CY 2023. All Airport leases have a minimum annual guaranteed rent and percentage rent structure. The Port reported to us in October 2025 that the average percentage rent rate for restaurant tenants was eight percent. All Port leases have a minimum annual guaranteed rent and percentage rent structure. Port leases are more comparable to the proposed lease. This suggests the proposed eight percent rent is reasonable,

though the lack of a minimum guaranteed rent in the proposed lease is unusual. The proposed decrease to four percent rent if the lease is sublet or assigned appears low.

FISCAL IMPACT

The proposed commercial lease agreement is for an initial five-year term, resulting in an estimated \$1,908,684 in revenue to MTA. MTA projects \$381,737 in annual rent over the five-year term based on FY 2023-24 actual rent of \$387,824 under the previous lease.

Historical revenue and projected revenue for the initial five-year term are shown in Exhibit 2 below.

Exhibit 2: Historical 3-Year MTA Revenue and Projection for FY 2025-26 to FY 2029-30

Fiscal Year	Amount
FY 2022-23 (Actual)	392,279
FY 2023-24 (Actual)	387,825
FY 2024-25 (Actual)	396,872
3-Year Historical Average	\$392,325
FY 2025-26 (Projection)	\$381,737
FY 2026-27 (Projection)	\$381,737
FY 2027-28 (Projection)	\$381,737
FY 2028-29 (Projection)	\$381,737
FY 2029-30 (Projection)	\$381,737
Total Projected	\$1,908,685

Source: MTA

Use of Revenues

Revenues from this lease will be used to fund MTA's transit operations.

POLICY CONSIDERATION

Our review of this lease identified internal control weaknesses in MTA's lease management practices, specifically concerning lease documentation, solicitation processes, and the lack of written policies.

Lease Management Practices and Documentation

As noted above, in 2020, MTA verbally shifted this lease and approximately 50 others from fixed rent to percentage rent or provided rent forgiveness during the COVID-19 pandemic without executing written lease amendments.

MTA cites staff capacity constraints during the COVID-19 emergency as the reason for the lack of documentation; however, other City departments facing similar circumstances were able to document lease changes throughout the process, including the Port (File 20-1163), Airport (File

20-1278), and the City Administrator (File 21-0001). The manager of MTA's Real Estate Division was hired in the Summer of 2025, which provides an opportunity to modernize the division's policies, procedures, and practices.

Solicitation Process

MTA did not issue a formal RFP or work with a broker for this location before negotiating the new lease with the existing tenant. Staff also did not reach out to any industry associations or neighborhood groups regarding this lease. MTA staff explained that their typical approach includes posting on a solicitation for new leases on the SFMTA website, and/or installing signage, but they generally only conduct a formal RFP process when they anticipate multiple competitive responses. MTA staff stated they did not believe this site was competitive due to (1) location factors exacerbated by the COVID-19 emergency and declines in economic activity and in street conditions and (2) the extent of tenant improvements required by the tenant (which are often tenant responsibilities).

However, without policies governing when an RFP is required, it is difficult to determine if the City is receiving the best possible terms. Given that the location is reportedly the chain's top location in San Francisco, other operators might be interested if an RFP were issued or MTA more aggressively sought potential tenants.

Governance

Because the San Francisco Downtown Parking Corporation established the original lease before being assumed by the MTA in 2013, MTA believes that the 2021 lease amendment to modify the rental rate did not require Board of Supervisors approval under City Charter Section 9.118(c). We disagree with that interpretation and have requested the City Attorney's Office to clarify whether the Board of Supervisors should have approved the 2021 lease amendment. MTA reports that the 2021 lease amendment was approved by the MTA Director of Transportation but did not provide documentation of that approval.¹

In addition, MTA does not have any written policies and procedures to govern its real estate activities. As noted above, the proposed lease does not have a fixed rent component, which is unusual for City leases.

Recommendations

MTA should (1) Develop and implement written policies and procedures governing lease and other real estate transactions, modeled on best practices from departments such as the Port of San Francisco. These policies must include clear guidelines for the solicitation/RFP process, standard lease terms and conditions, and requirements for documenting all property transaction documents in writing and (2) Review all leases modified informally during the pandemic to determine whether any other lease amendments were executed that lack formal documentation

¹ MTA staff provided documentation of correspondence from May 2020 regarding an unspecified rent relief proposal for retail tenants that included the Director of Transportation.

or that required the Board of Supervisors' approval. In the future, MTA should document all contracts and contract amendments in writing, obtain approval for contracts from the appropriate government entities, and keep written records of such approvals.

RECOMMENDATION

Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Item 6 File 25-1025	Department: Office of Contract Administration (OCA) San Francisco Public Utilities Commission (SFPUC)
EXECUTIVE SUMMARY	
Legislative Objectives - The proposed resolution would approve the fourth amendment to the contract between the Office of Contract Administration (OCA) and Lystek International Limited for the management and conversion of the City's biosolids. The fourth amendment extends the contract term by two years for a total term of July 1, 2022 through June 30, 2029, and would increase the contract amount by \$20,770,000 for a total not to exceed \$36,670,000. - The initial contract term is July 1, 2022 through June 30, 2027, with extensions through June 30, 2029. OCA entered into an original contract for \$15.9 million for the initial term. Key Points - Under the contract, Lystek processes the SFPUC's Wastewater Enterprise's biosolids from "Class B" to "Class A" biosolids. "Class B" biosolids is a designation for treated sewage solids that meet federal Environmental Protection Agency guidelines for use as fertilizer and have undergone treatment to reduce (but not eliminate) pathogens. "Class A" biosolid products, such as liquid fertilizer or compost, have undergone pathogen elimination and are suitable for sale to a variety of horticultural or agricultural markets. - A state law known as the Short-Lived Climate Pollutant Reduction Act (2016) is a set of regulations which seek to reduce the amount of organic material being sent to landfills. As a result of this state law, the City has transitioned away from sending biosolids to landfill and increased processing of biosolids for other uses. In 2024, 100 percent of the City's biosolids were diverted from landfills, according to the SFPUC. - Lystek International operates two processing sites for biosolids, Fairfield Organic Material Recovery Center and SynaGro Central Valley Compost, each with a minimum annual capacity of 17,500 wet tons for a total minimum annual capacity of 35,000 tons of biosolids. Fiscal Impact - The fourth amendment extends the contract term by two years for a total term of July 1, 2022 through June 30, 2029, and would increase the contract amount by \$20,770,000 for a total not to exceed \$36,670,000. Costs are funded by the Wastewater ratepayers - As of June 2025, the cost to process biosolids at the Lystek Fairfield site is \$122.33 per wet ton and \$76.03 per wet ton at the SynaGro compost site. It is estimated that 36,628 tons will be sent to the Lystek Fairfield facility and 8,372 tons will be sent to the SynaGro facility on an annual basis from July 2025 through July 2029. This equates to an annual estimated cost of \$5,117,226. Recommendation - Approve the proposed resolution.	

MANDATE STATEMENT

City Charter Section 9.118(b) states that any contract entered into by a department, board or commission that (1) has a term of more than ten years, (2) requires expenditures of \$10 million or more, or (3) requires a modification of more than \$500,000 is subject to Board of Supervisors approval.

BACKGROUND**Treatment of Wastewater in San Francisco**

The City's two wastewater facilities, the Southeast Wastewater Treatment Plant and the Oceanside Wastewater Treatment Plant, produce approximately 55,000 to 65,000 wet tons of "Class B" biosolids per year. These biosolids are used as fertilizer to improve soil quality. The proposed contract involves the management and conversion of the City's biosolids from "Class B" to "Class A" biosolids. "Class B" biosolids is a designation for treated sewage solids that meet federal Environmental Protection Agency guidelines for use as fertilizer and have undergone treatment to reduce (but not eliminate) pathogens. "Class A" biosolid products, such as liquid fertilizer or compost, have undergone pathogen elimination and are suitable for sale to a variety of horticultural or agricultural markets. Since 2017, Lystek International, a Canadian waste treatment technology company, has been responsible for the management and conversion of Class B biosolids into Class A. A different contractor, S & S Trucking, is responsible for transporting the biosolids to facilities outside of San Francisco after it has been processed at the City's wastewater treatment facilities. The City's contract with S & S Trucking was initially for a three-year term (October 1, 2019 through September 30, 2022) that was extended for four additional years, with a total not to exceed amount of \$7,929,000.

Previous and Current Contract for Biosolids Beneficial Reuse Services

In March 2017, the Office of Contract Administration (OCA) released a solicitation for refuse services to either convert Class B biosolids into Class A marketable biosolid products or to process biosolids for energy and/or fuel production.¹

Lystek International submitted a bid and was awarded a contract for the processing and conversion of Class B biosolids into Class A biosolids. In May 2017, the contract was executed with Lystek International for an initial two-year term from May 15, 2017 to May 14, 2019 with an initial not-to-exceed amount of \$500,000 and one three-year option to extend. The contract was modified four times, increasing the not-to-exceed amount to \$5.7 million and extending the contract term to five years total (from May 2017 to May 14, 2022).

¹ Biosolids, as a byproduct of wastewater treatment, can also be used as a renewable energy resource.

Under the contract, Lystek operated the Lystek Fairfield Organic Material Recovery Center, which received and processed wet biosolids from the City's two wastewater treatment plants.

OCA released a new solicitation on March 29, 2022 for biosolids production and management services. The solicitation was a low-bid solicitation, meaning the contract was awarded based on the lowest price that meets the minimum requirements. (As such, the solicitation was not scored and there were no panel members.) Lystek International was the only contractor to submit a bid by the solicitation deadline, and OCA staff determined that Lystek International's proposal met the minimum qualifications required by the solicitation and accepted their bid. The initial contract term is July 1, 2022 through June 30, 2027, with extensions through June 30, 2029. OCA entered into an original contract for \$15.9 million for the initial term; however, we note that the Board of Supervisors approved a not-to-exceed amount of \$22.8 million, which was intended to cover the initial term and the optional two-year extension (File 22-0600).

The solicitation required a minimum capacity of at least 35,000 tons of biosolids per year. In response to the solicitation, Lystek International added a second site—SynaGro Central Valley Compost—in addition to Fairfield Organic Material Recovery Center, each with a minimum annual capacity of 17,500 wet tons for a total minimum annual capacity of 35,000 tons. (There was no minimum capacity requirement under the previous contract.) The Fairfield Organic Material Recovery Center located at the Fairfield-Suisun Sewer District transforms biosolids received from the treatment plants into a Class A liquid fertilizer product. Lystek then distributes the fertilizer to area farmers. The SynaGro Central Valley Compost facility is located in Merced County and utilizes composting technology to create a composted end product that can be used to promote plant growth.

Exhibit 1 below shows the number of tons of biosolids processed by Lystek at the Fairfield Organic Material Recovery Center from 2018 through 2022 under the prior contract, and at both facilities under the current contract (2023 and 2024). We note that the Lystek contract assumed a greater number of tons in 2024 because another contractor managing a portion of the City's biosolids did not renew its contract, according to the San Francisco Public Utilities Commission (SFPUC).

Exhibit 1: Tons of Biosolids Processed by Lystek under Prior and Current Contract

Year	Tons of Biosolids Processed	
	Fairfield Organic Material Recovery Center	SynaGro Central Valley Compost
2018	11,470	
2019	15,081	
2020	11,458	
2021	25,996	
2022	21,754	
2023	32,297	5,025
2024	40,463	2,994
Total	158,519	8,019

Source: OCA and SFPUC

As shown in Exhibit 1 above, Lystek has processed a combined total of 166,538 tons of biosolids from the Oceanside Wastewater Treatment Plant and the Southeast Wastewater Treatment Plant under the prior and current contracts. The contract has been used to process larger quantities of material each year as the SFPUC shifts away from sending biosolids to landfills, a practice which state law Section 39730 of the State Health and Safety Code and Section 42652 of the Public Resources Code (SB 1383, Lara)—known as California’s Short-Lived Climate Pollutant Reduction Act—will effectively eliminate (see below).

Required Increase in Biosolids Processing Capacity Due to State Short-Lived Climate Pollutant Reduction Act

The Short-Lived Climate Pollutant Reduction Act (2016) is a set of regulations which seek to reduce the amount of organic material being sent to landfill. When biosolids are sent to a landfill, their nutrients are wasted and the potent greenhouse gas methane is produced. Conversely, when used as a fertilizer, the nutrients of biosolids replace fossil fuel-based fertilizers and have been shown to sequester carbon. For these reasons, the SFPUC transitioned away from any management practices which are not compliant with SB 1383.

According to OCA staff, when the initial contract was procured in 2017, Lystek’s biosolids management services represented a much smaller part of PUC’s overall biosolids management strategy. However, the passage of SB 1383 in 2016 required the state to take additional steps to reduce methane emissions and meet emissions reduction targets, including reducing organic waste being sent to a landfill by 50 percent of the statewide 2014 level by 2020 and by 75 percent in 2025. As a result of SB 1383, the City has transitioned away from sending biosolids to landfills and increased processing of biosolids for other uses. In 2024, 100 percent of the City’s biosolids were diverted from landfills, according to the SFPUC.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve the fourth amendment to the contract between OCA and Lystek International Limited. The fourth amendment extends the contract term by two years for a total term of July 1, 2022 through June 30, 2029, and would increase the contract amount by \$20,770,000 for a total not to exceed \$36,670,000. The resolution authorizes OCA to enter into amendments or modifications to the contract that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of the contract or the resolution.

The proposed contract extension requires the contractor to continue to provide services to produce Class-A biosolids from Class-B biosolids received from the City’s Southeast and Oceanside Wastewater Treatment plants using its two treatment facilities, Fairfield Organic Material Recovery Center and SynaGro Central Valley Compost. According to OCA, the estimated number of annual wet tons to be processed is 36,628 at the Fairfield facility and 8,372 at the

SynaGro facility for a combined total of 45,000 wet tons.² The contract is as-needed and does not have a minimum spending requirement.

FISCAL IMPACT

The proposed resolution would increase the contract amount by \$20,770,000 for a total not to exceed \$36,670,000. According to Appendix B of the current contract, as of June 2025, the cost to process biosolids at the Lystek Fairfield site is \$122.33 per wet ton and \$76.03 per wet ton at the SynaGro compost site. The difference in cost is due to different treatment processes and final products at each site. Specifically, the Lystek Fairfield site utilizes more expensive and complex technology to produce a liquid fertilizer, whereas the SynaGro facility utilizes less costly composting methods. Further, the SynaGro site is further away from the Southeast Wastewater Treatment Plant (284 miles) than the Fairfield site (95 miles), resulting in higher transportation costs to the City, which in turn fully offsets the SynaGro site's lower processing costs. According to Appendix C of the proposed contract, costs may be escalated by the consumer price index for the San Francisco Bay Area. According to OCA, it is estimated that 36,628 tons will be sent to the Lystek Fairfield facility and 8,372 tons will be sent to the SynaGro facility on an annual basis from July 2025 through July 2029. Exhibit 2 below shows the annual estimated cost of \$5,117,226 based on the estimated number of annual wet tons and the price per wet ton at each facility. The estimate does not include inflation increases that will likely increase annual costs in subsequent years.

Exhibit 2: Estimated Annual Spending (FY 2025-26)

Facility	Estimated Annual Wet Tons	Price Per Wet Ton	Estimated Annual Spending
Fairfield Organic Material Recovery Center	36,628	\$122.33	\$4,480,703
SynaGro Central Valley Compost	8,372	\$76.03	636,523
Total	45,000		\$5,117,226

Source: OCA

The actual spending on the Lystek contract to date is \$13,135,195 (from October 2022 through June 2025), as shown in Exhibit 3 below. The spending rate is faster than initially projected in 2022 due to inflation and because Lystek has processed more biosolids than originally anticipated. For example, in 2022, PUC projected Lystek would process approximately 31,500 tons of biosolids annually; however, in 2024, Lystek processed more than 40,000. For this reason, the \$15.9 million original contract value from June 2022 to July 2027 will be exhausted early. The projected total spending over the next four fiscal years is \$20,468,906, which reflects the annual

² Other SFPUC contractors with less capacity use Class-B biosolids directly as fertilizer.

estimated cost above \$5,117,226. When factoring in the remaining contract balance and 15 percent contingency, the total additional funds needed is \$20,774,436.

Exhibit 3: Actual and Projected Spending

Actual Spending¹	Amount
Year 1 (FY 2022-23)	\$3,259,672
Year 2 (FY 2023-24)	3,727,406
Year 3 (FY 2024-25)	6,148,117
Subtotal, Actual Spending	\$13,135,195
Projected Spending Years 4-7 (FY 2025-26 through FY 2028-29)	\$20,468,906
Less Remaining Contract Balance as of June 30, 2025	(2,764,805)
Contingency (15%)	3,070,336
Total Additional Funds Needed	20,774,436
Current Executed Contract Not to Exceed Amount	15,900,000
Proposed Revised Contract Not to Exceed Amount (Rounded to nearest \$10,000)	\$36,670,000

¹Note: Expenditures reflect purchase order encumbrances, according to OCA.

Source: OCA

Funding Source

Contract costs will be paid by SFPUC wastewater rate payers.

RECOMMENDATION

Approve the proposed resolution.

Item 7
File 25-1026

Department:
Sheriff's Office

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution would authorize the Sheriff's Office to enter into a new contract with ARAMARK Correctional Services, Inc. (Aramark) for jail food services for a five-year term from November 1, 2025, through October 31, 2030, and an amount not to exceed \$22,000,000. The contract includes two options to renew the agreement for a period of two additional years each, for a total potential term of nine years.

Key Points

- ARAMARK Correctional Services, LLC (Aramark) provides food services at the Hall of Justice and San Bruno jail facilities under an existing contract, which expired on October 31, 2025.
- On May 19, 2025, the Sheriff's Office issued a Request for Proposals (RFP) soliciting vendors to deliver food service at the County jail facilities for an anticipated term of five years with one option to extend the term for two years for a total term of seven years. Aramark was one of two vendors to submit proposals and received the highest average score.
- The contract also includes the IN2WORK culinary vocational training program for a minimum of 42 incarcerated individuals.
- The contract stipulates that prices are locked fixed for the initial 24 months. Afterwards, either party may request a renegotiation of the per-meal prices, with any upward adjustment capped by the Consumer Price Index (CPI) for food away from home in the Bay Area. However, the Sheriff's Office notes that Aramark may negotiate rate increases exceeding CPI during the two contract extension options.

Fiscal Impact

- The total \$22 million contract amount covers the cost of meals for the five-year term from November 1, 2025, to October 31, 2030, and does not include sales tax, which the City pays. With sales tax, the City would pay an estimated \$2.0 million in addition to contract costs of \$22.0 million, for a total of \$24.0 million over the five years.
- In FY 2024-25, the contract budget totaled \$4.8 million, including taxes, which is approximately equal to the proposed \$4.8 million budget for Year 1. In addition, the inmate meal price of \$2.200 per meal and the staff meal price of \$3.509 per meal are unchanged from the prior contract.

Recommendations

- Amend the proposed resolution to reduce the options to extend the term from two two-year options to two one-year options for a total potential term of seven years (rather than nine years) to ensure consistency with the RFP and approve the proposed resolution.

MANDATE STATEMENT

City Charter Section 9.118(b) states that any contract entered into by a department, board or commission that (1) has a term of more than ten years, (2) requires expenditures of \$10 million or more, or (3) requires a modification of more than \$500,000 is subject to Board of Supervisors approval.

BACKGROUND

State regulatory standards require the San Francisco Sheriff's Office to provide nutritionally adequate meals daily to the incarcerated population in the County Jails. ARAMARK Correctional Services, LLC (Aramark) provides these food services under an existing contract, which expired on October 31, 2025.

In July 2025, the Board of Supervisors approved the Controller's certification that food service at the County Jails can be performed by a private contractor at a lower cost than if performed by city employees, pursuant to Proposition J (1976) (File 25-0615).

Competitive Solicitation Process

On May 19, 2025, the Sheriff's Office issued a Request for Proposals soliciting vendors to deliver food service at the County Jail facilities for an anticipated term of five years with the option to extend the term for two additional years for a total term of seven years.

Proposals were evaluated based on project approach (30 points), assigned project staff (15 points), experience of firm (15 points), and financial proposal (40 points), for a total possible score of 100 points. Aramark was one of two vendors to submit proposals and received the highest average score of 86 out of 100 possible points, compared to 73 for the second-place proposer, Summit.¹ The scoring summary is provided in Exhibit 1 below.

Exhibit 1: RFP Scoring Summary (100 Possible Points)

	Max Points	Aramark	Summit
Project Approach	30	22.0	21.8
Assigned Project Staff	15	11.4	12.3
Experience of Firm	15	12.5	12.0
Financial Proposal	40	40.0	27.0
Average (rounded)	100	86.0	73.0

Source: Sheriff's Office

¹ The selection panel consisted of an analyst from the Center for Good Food Purchasing (a non-profit), a sergeant from the San Francisco Police Department, and a lieutenant and a sergeant from the San Francisco Sheriff's Office.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would authorize the Sheriff's Office to enter into a new contract with ARAMARK Correctional Services, Inc. (Aramark) for jail food services for a five-year term from November 1, 2025, through October 31, 2030, and an amount not to exceed \$22,000,000. The contract includes two options to renew the agreement for a period of two additional years each, for a total potential term of nine years.

The proposed total potential term of nine years exceeds the total potential term of seven years advertised in the RFP. Following inquiries from our office, the Sheriff's Office will modify the term so that the final contract has a five-year term with two one-year options to extend for a total potential term of seven years. We recommend that the Board of Supervisors amend the term in the proposed resolution to be consistent with the final contract and the term advertised in the RFP.

Services

Under the proposed contract, Aramark would provide daily food service to staff and the incarcerated population at the Hall of Justice and San Bruno jail facilities. Aramark would provide three inmate meals and three staff meals daily, as well as coffee service and garbage service.

Average Daily Jail Population

The average daily jail population (ADP) fluctuated throughout the last contract term, which began in November 2018. It was 1,293 in FY 2018-19, decreased to 801 in FY 2020-21 due to the pandemic, and has since increased to 1,265 in FY 2024-25. The average daily population from March to August 2025 was 1,263.

Food Standards

Aramark is required to maintain nutritional and health standards per the State of California Board of State and Community Corrections, Title 15, Recommended Dietary Allowances, and USDA guidelines. Specific requirements include no more than 2.5 grams of sodium per meal and saturated dietary fat not exceeding 10 percent of total calories per week.

Inmate meal service consists of a six-week menu cycle providing three meals per day, ensuring a minimum daily caloric requirement of 2,500 calories for adults. Service generally consists of a mix of cold and hot meals during the week, except at County Jail #1 (intake and release facility), which receives only sack lunches. The Contractor shall also provide medical/therapeutic diets and religious diets at the same per-meal cost as regular diets.

Staff meal service includes a 6-week rotational menu of fresh food. The contract stipulates that no incarcerated labor shall be involved in the preparation of staff meals.

Additional Requirements

The contract also includes the IN2WORK culinary vocational training program for a minimum of 42 incarcerated individuals, including training and certification, and alignment with the Good

Food Purchasing Program, which provides a framework for institutions to redirect their food budgets toward suppliers who meet value-based standards.

Price Adjustments

The contract stipulates that prices are locked fixed for the initial 24 months. The Sheriff's Office advises this requirement was included in the RFP to prevent proposers from submitting artificially low bids to gain higher evaluation scores. After the first 24 months, either party may request a renegotiation of the per-meal prices, with any upward adjustment capped by the Consumer Price Index (CPI) for food away from home in the Bay Area. However, the Sheriff's Office notes that Aramark may negotiate rate increases exceeding CPI during the two contract extension options.

The contract also allows for price adjustments if conditions change due to causes beyond the Contractor's control, including a decrease in the inmate population below 900. This threshold was established during the COVID-19 pandemic, when the prior contract was renegotiated from a fixed-rate to a variable-rate structure due to significant population decreases that impacted the contractor's costs. The Sheriff's Office advises that the \$2.20 unit price in the new contract for inmate meals assumes an average daily jail population of 1,300, as referenced in the RFP.

Performance Monitoring

The contract requires Aramark to adhere to quality, size, and grade specifications for all food products, disposable service ware, and packaging. Aramark must also submit written menus ten days in advance that meet nutritional, serving, preparation, quality, presentation, and sanitation standards. Additionally, Aramark is required to provide monthly meal count reports detailing meals served by location to inmates and staff, along with preventative maintenance and repair records, to support monthly invoices. The contract also includes provisions for liquidated damages if meals are delivered late or not at all.

The contractor is required to document referrals and linkages to post-release employment opportunities for the vocational training program and to develop performance metrics and provide quarterly reports on the program.

FISCAL IMPACT

The proposed contract establishes a not to exceed amount of \$22,000,000 for the initial five-year term from November 1, 2025, to October 31, 2030.

The total contract amount covers the cost of meals and does not include sales tax, which is paid by the City. The Sheriff's Office's estimates the total cost of meals over the five-year term at \$21,959,020, as shown below in Exhibit 2's subtotal. This amount does not account for potential CPI adjustments after the initial 24 months or the costs associated with the two extension options. Any changes to the contract value that exceed \$500,000 would require Board of Supervisors approval.

With sales tax rates of 8.625 percent in San Francisco and 9.375 percent in San Bruno, the City would pay an estimated \$2.0 million in sales tax in addition to contract costs of \$22.0 million, for total costs of \$24.0 million over the five-year period.

Exhibit 2: Projected Expenditures of Aramark Contract, November 1, 2025, to October 31, 2030

Contract Year	Inmate Meals	Inmate Meals Cost	Staff Meals	Staff Meals Cost	Subtotal, Contract Costs	Est. Taxes (9%)	Total Costs
1	1,575,960	\$3,467,112	263,520	\$924,692	\$4,391,804	\$395,262	\$4,787,066
2	1,575,960	\$3,467,112	263,520	\$924,692	\$4,391,804	\$395,262	\$4,787,066
3	1,575,960	\$3,467,112	263,520	\$924,692	\$4,391,804	\$395,262	\$4,787,066
4	1,575,960	\$3,467,112	263,520	\$924,692	\$4,391,804	\$395,262	\$4,787,066
5	1,575,960	\$3,467,112	263,520	\$924,692	\$4,391,804	\$395,262	\$4,787,066
Total	7,879,800	\$17,335,560	1,317,600	\$4,623,458	\$21,959,020	\$1,976,312	\$23,935,332

Source: Sheriff's Office

According to the Sheriff's Office, the \$22,000,000 not to exceed amount was calculated based on the average daily jail population of 1,263 from March to August 2025 and the corresponding average inmate and staff meal counts over the same period (131,330 and 21,960 per month, respectively). The estimate assumes the new contract prices of \$2.20 for inmate meals and \$3.509 for staff meals over the entire five-year period.² All services, including enhanced coffee service for staff and garbage service for the downtown County Jail Facilities, are incorporated into the base meal prices, as required by the RFP.

Comparison to Prior Budget and Contract

In FY 2024-25, the contract budget totaled \$4.8 million, including taxes, which is approximately equal to the proposed budget of \$4.8 million in Year 1. In addition, the inmate meal price of \$2.200 per meal and the staff meal price of \$3.509 per meal are unchanged from the prior contract. However, the meal prices now include garbage service and enhanced coffee service for staff, which were previously billed separately at a flat rate of \$13,004 per month. The RFP required these services to be incorporated into the meal prices, and the Sheriff's Office reports that Aramark absorbed these costs rather than increase the price of meals.

Source of Funding

The proposed contract will be funded by the General Fund.

RECOMMENDATIONS

1. Amend the proposed resolution to reduce the options to extend the term from two two-year options to two one-year options for a total potential term of seven years (rather than nine years) to ensure consistency with the term advertised in the RFP.
2. Approve the resolution as amended.

² Inmate meals are priced based on the provided distribution of two cold meals for each hot meal.