

LEGISLATIVE DIGEST

[Waiver of Municipal Code Provisions - Phoenix Sky Harbor International Airport - Used Compressed Natural Gas Transit Buses - Not to Exceed \$350,000]

Ordinance waiving competitive bidding requirements in the Administrative Code, and all other requirements in the Administrative Code, Environment Code, or other parts of the Municipal Code as applied to a commodities purchase, to authorize the Airport Commission to procure up to 14 used compressed natural gas transit buses from Phoenix Sky Harbor International Airport for an amount not to exceed \$350,000; and authorizing the Airport Director to negotiate the terms of the agreement consistent with the not to exceed amount.

Existing Law

Administrative Code Chapter 21 establishes the policies and procedures required to competitively bid commodities, goods, and services. Numerous provisions in the Administrative Code and Environment Code establish the policies, procedures, and required contract terms that apply to procurements of commodities.

Amendments to Current Law

The proposed ordinance would exempt a purchase of 14 used Compressed Natural Gas (CNG) buses by the Airport Commission (Airport or SFO) directly from the Phoenix Sky Harbor International Airport (PHX) from Administrative Code Chapter 21's competitive bidding requirements and other applicable provisions of the Administrative and Environment Codes.

Background Information

The Airport has the opportunity to purchase 14 used CNG buses from PHX, which are similar to its existing fleet model, are in very good condition, at a not-to-exceed amount of \$350,000 to support a desired pilot expansion of new routes for the SFO employee shuttle service (GoSFO Shuttle) currently operating to the East Bay. The program is extremely successful for several reasons, with 91.6% of riders reporting that the program contributes to their ability to work at SFO. It also has provided environmental benefits, furthering the City and the Airport's sustainability goals. This purchase would provide significant savings in cost (\$25,000 used vs approximately \$900,000 new per bus) and time, given a procurement of new buses ordinarily takes about two years. The buses will be used to test additional employee shuttle routes, allowing time to evaluate ridership. PHX will not agree to the City's bidding and other contracting requirements due its regulatory rules. The Airport will be unable to purchase the buses without the exemptions to City rules. The proposed ordinance would also authorize the Airport Director to negotiate the terms of agreement with a not-to-exceed amount of \$350,000.

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