

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

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

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11 Be it ordained by the People of the City and County of San Francisco:

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13 Section 1. Background and Findings.

14 (a) On September 12, 2022, San Francisco International Airport (“SFO” or “Airport”)
15 began a pilot program providing a free commuter bus shuttle for all workers at SFO. The
16 program, GoSFO Shuttle, serves the Hayward and Castro Valley areas and is available to
17 SFO workers with a valid Airport security badge or valid employee badge. The service runs
18 every 30 minutes, 24 hours a day, although with less frequency overnight, and was free of
19 charge until July 1, 2023, when the Airport started charging employees a nominal fee to offset
20 the cost of operation.

21 (b) The current shuttle route serves between 500 to 650 riders daily on average. Most
22 riders are full-time workers at SFO and use the shuttle most days or every day they work.
23 The program is extremely successful, with 91.6% of riders reporting that the program
24 contributes to their ability to continue to work at SFO. In addition, employees who would
25 otherwise drive can instead relax and rest during their commutes. Many riders have

1 expressed their appreciation for this significant improvement to their quality of life. Anecdotal
2 reports suggest that some workers have taken jobs at the Airport in part because of the
3 program.

4 (c) The program also has provided environmental benefits and furthered the City and
5 the Airport's sustainability goals, including SFO's LESS ("Lower Emissions Via Sustainable
6 Solutions") Policy, which is rooted in the City's Transit First Policy. The shuttle service largely
7 serves employees who otherwise would drive to work, and as a result the Airport estimates
8 that the shift from private cars to the Hayward/Castro Valley bus line saves 1,336 metric tons
9 of carbon dioxide ("CO2") emissions annually.

10 (d) In addition, the Airport Commission and Airport employers have been struggling to
11 hire and retain staff in the wake of the COVID-19 pandemic. For many airline and concession
12 employees, the hours of operation for public transit do not coincide with the typical start or end
13 of a shift. Airport employers have reported that the availability of the shuttles has drastically
14 increased their ability to hire and retain workers who live in East Bay communities. While the
15 Airport recognizes the program is partly addressing staffing challenges, hiring difficulties still
16 persist.

17 (e) Due to the success of the GoSFO Shuttle program with employers and employees,
18 along with its environmental benefits, the Airport seeks to continue and expand the program.
19 Expansion would require additional buses and would also include testing new routes on a pilot
20 basis. Because the current fleet of buses is not sufficient to expand the program, the Airport
21 is seeking to purchase additional buses, to make program expansion feasible, and thereby
22 create further job opportunities in surrounding Bay Area neighborhoods while addressing
23 Airport staffing shortages.

24 (f) The City of Phoenix, acting through its Aviation Department ("Phoenix Airport"),
25 owns and operates Phoenix Sky Harbor International Airport. Because Phoenix Airport has

1 recently expanded its Airtrain system, it no longer needs many of its shuttle buses. As a
2 result, Phoenix Airport is seeking to sell a portion of its bus fleet. It is willing to sell SFO up to
3 14 high-quality used compressed natural gas (“CNG”) buses at \$25,000 per bus, plus
4 applicable taxes. By contrast, the Airport’s purchase of new buses would be extremely
5 expensive, with expected costs in excess of approximately \$900,000 per bus, and would
6 ordinarily involve a two-year procurement and production timeline. The \$25,000 price per bus
7 purchased from the Phoenix Airport would save SFO significant funds and is extremely
8 affordable when compared with the cost of purchasing a new bus. As a public entity, Phoenix
9 Airport is interested in extending this offer to SFO, a sister public agency, to support SFO’s
10 desire to expand the GoSFO Shuttle program.

11 (g) On April 4, 2023, SFO staff visited Phoenix Airport and conducted a thorough
12 inspection of the available buses. Staff found that the buses were in excellent condition. The
13 Airport has no concerns that purchase of these buses would compromise public safety or
14 entail excessive maintenance costs. From the perspective of quality as well as cost, purchase
15 of the buses would be a sound Airport decision.

16 (h) The Airport is required under Administrative Code Section 21.1 to competitively bid
17 contracts for commodities, unless exceptions apply. This ordinance would waive all
18 competitive bidding and additional Municipal Code requirements that otherwise would be
19 applicable to this transaction to enable the Airport to proceed with this project-specific and
20 unique purchase opportunity. On September 5, 2023, by Resolution No. 23-0225, the Airport
21 Commission recommended that the Board of Supervisors waive these requirements.
22 Resolution No. 23-0225 is on file with the Clerk of the Board of Supervisors in File
23 No. 230962.

24 Section 2. Waiver of Competitive Bidding Requirements.
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1 The proposed purchase agreement for 14 used CNG transit buses from the City of
2 Phoenix, acting through its Aviation Department, as referenced in subsection (f) of Section 1
3 above (“Agreement”), is exempt from the competitive bidding requirements in Administrative
4 Code Section 21.1, and from all otherwise applicable sections of the Administrative Code.
5 The Board of Supervisors finds such waiver to be necessary and in the public interest.

6 Section 3. Waiver of Other Municipal Code Requirements.

7 The Agreement is exempt from the following Municipal Code sections and all otherwise
8 applicable sections of the Municipal Code, even if not listed below. The Board of Supervisors
9 finds all such waivers to be necessary and in the public interest.

10 (1) Non-discrimination in contracts (Administrative Code Chapter 12B);

11 (2) Implementing the Macbride principles - Northern Ireland (Administrative
12 Code Chapter 12F);

13 (3) Prohibition on use of public funds for political activity by recipients of city
14 contracts, grants, and loans (Administrative Code Chapter 12G);

15 (4) Minimum compensation (Administrative Code Chapter 12P);

16 (5) Health care accountability (Administrative Code Chapter 12Q);

17 (6) San Francisco Slavery Disclosure Ordinance (Administrative Code
18 Chapter 12Y);

19 (7) Consideration of criminal history in hiring (Administrative Code Chapter
20 12T);

21 (8) Local business enterprise utilization and non-discrimination in contracting
22 ordinance (Administrative Code Chapter 14B);

23 (9) First source hiring requirements (Administrative Code Chapter 83);

24 (10) Tropical hardwood and virgin redwood ban (Environment Code Chapter
25 8); and

1 (11) Arsenic-treated wood products (Environment Code Chapter 13).

2 Section 4. Authorization to Negotiate the Terms of the Agreement.

3 The Board of Supervisors authorizes the Airport Director to negotiate the terms of the
4 Agreement with a total not-to-exceed amount of \$350,000.

5 Section 5. Effective Date.

6 This ordinance shall become effective 30 days after enactment. Enactment occurs
7 when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned, or does not
8 sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the
9 Mayor's veto of the ordinance.

10 Section 6. Filing of Executed Agreement.

11 Within 30 days of the Agreement being fully executed by all parties, the Airport
12 Commission shall provide a copy of the Agreement to the Clerk of the Board of Supervisors
13 for inclusion in File No. 230962.

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15 APPROVED AS TO FORM:
16 DAVID CHIU, City Attorney

17 By: /s/ Andrew A. Angeles
18 ANDREW A. ANGELES
19 Deputy City Attorney

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