THIS PRINT COVERS CALENDAR ITEM NO.: 12

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY

DIVISION: Administration

BRIEF DESCRIPTION:
Authorizing the Director of Transportation to execute Contract No. SFMTA-2025-86-LOC with Hayden AI Technologies, Inc. (Hayden) for the implementation and operation of a Transit Lane and Transit Stop Enforcement System, for a total not-to-exceed contract amount of $55,045,595 and an initial term of three years, with three one-year options to extend, totaling a term of six years, subject to approval by the Board of Supervisors under Charter Section 9.118; and to authorize the Director of Transportation to make any modifications to the agreement, prior to the execution of the agreement, that do not materially increase the obligations or liabilities to the city and are necessary to effectuate the purposes of the agreement; and recommending that the Board of Supervisors approve the contract pursuant to that authority.

SUMMARY:

- The SFMTA has operated the Transit-Only Lane Enforcement (TOLE) program since 2008, becoming the first agency in the nation to deploy a forward-facing, bus-mounted camera system for transit lane enforcement.
- The program has demonstrated value in reducing transit delay associated with illegal parking in transit lanes and reducing barriers to safe and accessible boarding. However, its current effectiveness is significantly constrained due to outdated equipment requiring manual review and limited staffing.
- A Next Generation Transit Lane and Transit Stop Enforcement System would leverage advancements in technology, enabling the SFMTA to expand transit lane and transit stop enforcement, improving accessibility, safety, reliability, and equity while maximizing the efficiency of current staffing levels.
- A Next Generation Transit Lane and Transit Stop Enforcement System would also enhance privacy policies and practices.
- On November 19, 2025, the SFMTA issued RFP No. SFMTA-2025-86-LOC for a Transit-Only Lane and Transit Stop Enforcement System and received three proposals; however, during the review of proposers' compliance with the minimum qualification requirements, one bidder elected to withdraw from the procurement, and another was determined to be non-responsive for not meeting the required prior experience on public transit vehicles.
- Following an evaluation process, Hayden AI Technologies, Inc. was selected for award, with a not-to-exceed contract amount of $55,045,595 and a three-year term with three one-year options to extend, totaling a maximum six-year term.
- The proposed contract is financially sustainable, as initial capital costs will be funded

through grant resources, and the flexible payment structure is designed so that contract payments do not exceed net program revenue.

- The SFMTA, under authority delegated by the Planning Department, determined that the proposed agreement is not a "project" under CEQA pursuant to CEQA Guidelines Sections 15060(c) and 15378(b) because the action would not result in a direct or a reasonably foreseeable indirect physical change to the environment.
- Staff recommends the approval of the contract with Hayden AI Technologies, Inc. to implement and operate a Transit Lane and Transit Stop Enforcement System for the SFMTA.
- Board of Supervisors approval is required under San Francisco Charter Section 9.118.

ENCLOSURES:

1. SFMTA Board Resolution
2. Contract Agreement

APPROVALS:		**DATE**
DIRECTOR	Julie Kirschbaum	November 12, 2026
SECRETARY		November 12, 2026

ASSIGNED SFMTAB CALENDAR DATE: November 17, 2026

PURPOSE

To authorize the Director of Transportation to execute Contract No. SFMTA-2025-86-LOC with Hayden AI Technologies, Inc. (Hayden) for the implementation and operation of a Transit Lane and Transit Stop Enforcement System, for a total not-to-exceed contract amount of $55,045,595 and an initial term of three years, with three one-year options to extend, totaling a term of six years, subject to approval by the Board of Supervisors under Charter Section 9.118; and to authorize the Director of Transportation to make any modifications to the agreement, prior to the execution of the agreement, that do not materially increase the obligations or liabilities to the city and are necessary to effectuate the purposes of the agreement; and recommending that the Board of Supervisors approve the contract pursuant to that authority.

STRATEGIC PLAN GOALS AND TRANSIT FIRST POLICY PRINCIPLES

The Project will support the following SFMTA Strategic Goals:

- Goal 1: Equity
  Enhances transit reliability across the city, particularly benefiting communities that rely most on public transportation by reducing delays caused by unauthorized vehicles parked in transit lanes and at transit stops.

- Goal 2: Safety
  Improves safety for all road users by reducing illegal stopping and parking behaviors that create conflicts between vehicles, pedestrians, and transit riders — supporting the city's Vision Zero initiative. Keeping transit stops clear reduces situations where riders must board or exit vehicles away from designated boarding areas, thereby reducing safety risks for riders who rely on mobility devices and other accessibility accommodations, supporting compliance with the Americans with Disabilities Act (ADA) and reducing liabilities from falls.

- Goal 3: Climate
  By improving the efficiency and reliability of Muni service, the program encourages mode shift from private vehicles to public transit, contributing to reduced greenhouse gas emissions and improved air quality.

- Goal 5: Affordability
  Supports cost-effective and reliable transit service, reducing travel time and improving access to affordable transportation options for all San Franciscans.

The Project will support the following city Transit-First Policies:

- Prioritization of Public Transit
  Reinforces the city's commitment to public transit as a primary mode of transportation by ensuring transit lanes and transit stops remain unobstructed and functional.

- Efficient Use of Public Right-of-Way
  Supports the efficient use of limited street space by prioritizing transit operations and discouraging private vehicle encroachment in designated transit areas.

- Transit Priority Improvements
  Complements existing transit priority infrastructure by enforcing compliance, thereby maximizing the benefits of investments in transit lanes and transit stop enhancements.

- Congestion Reduction
  By reducing transit delays and improving service reliability, the program contributes to reducing overall traffic congestion and supports broader regional mobility goals.

DESCRIPTION

Project Background

The SFMTA has managed a Transit-Only Lane Enforcement (TOLE) program since 2008 and was the first agency in the nation to deploy a forward-facing, bus-mounted camera enforcement system. However, this almost 20-year-old program relies on outdated technology and manual, labor-intensive tasks. In the current program, video is collected from buses in person, and Parking Control Officers (PCOs) then manually review thousands of hours of video footage each year, limiting the scale and consistency of enforcement. The Agency is committed to implementing modernized technology to improve operational efficiency and expand coverage. This will allow the Agency to reduce transit lane obstructions, enhance accessibility, and improve the reliability and efficiency of transit service.

In 2023 and 2024, the SFMTA conducted two rounds of proof-of-concept demonstrations to better understand the capabilities of current enforcement technologies and inform the development of procurement requirements. These demonstrations allowed the Agency to evaluate available technologies, assess operational functionality, and validate the potential benefits of modern automated enforcement solutions in San Francisco's unique transit environment.

The findings from the proof-of-concept demonstrations confirmed that significant advancements have been made since the deployment of San Francisco's current TOLE system. A Next Generation Transit Lane and Transit Stop Enforcement System (Next-Gen System) would leverage advancements in enforcement technology, enabling the SFMTA to expand transit lane and transit stop enforcement, improving accessibility, safety, reliability, and equity while maximizing the efficiency of current staffing levels.

Next Generation Transit Lane and Transit Stop Enforcement System Advantages

Modern transit lane and transit stop enforcement systems integrate advanced technologies that offer immediate, measurable improvements in efficiency and coverage. These systems address the limitations of the current TOLE program by automating key functions and

reducing manual workload. Key features include:

- *Real-Time Data Transmission:* Cellular connectivity eliminates the need for manual video retrieval from each bus, enabling faster, more secure, and more efficient data access.
- *Automated Violation Detection:* Intelligent onboard systems identify potential parking violations in real time, removing the need for staff to manually review thousands of hours of footage annually.
- *Integrated GPS and ALPR:* Global Positioning Systems (GPS) and Automated License Plate Readers (ALPR) automatically capture vehicle and location data, streamlining the process and reducing human error.
- *Automated Evidence Packages:* The system generates complete, review-ready evidence packages, allowing enforcement staff to process up to five times more violations with existing staffing levels.
- *Automated Citation Processing Integration:* The system integrates with the SFMTA's current citation processor, automating the processing and mailing of approved citations and eliminating the staff effort associated with manual data entry and mailing.
- *Enhanced Imaging Capabilities:* High-resolution cameras with low-light functionality ensure accurate violation capture in a variety of lighting and weather conditions.

Project Objectives

The SFMTA's objectives for the Next Generation Transit Lane and Transit Stop Enforcement System are to:

- **Drive behavior change:** Reduce parking violations in transit lanes and stops.
- **Support accessibility:** Support ADA-compliant boarding at transit stops.
- **Improve transit reliability:** Reduce delays from blocked transit lanes and stops.
- **Support operational efficiency and sustainability:** Improve the identification of parking violations and cover the costs of the program through citation revenue.
- **Strengthen privacy and transparency:** Meet San Francisco's high standards for privacy, data security and transparency.

Privacy and Transparency

The Next-Gen System will leverage advanced technology and automation to improve transit reliability while prioritizing fairness, privacy, and transparency. It does not include the use of generative artificial intelligence (AI). The proposed system will:

- **Protect the public's privacy and civil rights and liberties** by complying with San Francisco Administrative Code Section 19B, the Surveillance Technology Policy, to ensure the responsible use of ALPR as well as any associated data.
- **Provide transparency to the public about the use of Artificial Intelligence** by complying with San Francisco Administrative Code Chapter 22J, the Artificial

Intelligence Tools Ordinance, which requires city departments to inventory and disclose their use of AI systems, establish governance and accountability requirements, and provide transparency to the public about how AI is used in city operations.

- **Focus on violations, not tracking individuals or vehicles:** The system only records information when it detects a vehicle parked at a transit lane or bus stop. Vehicles that are not parked at a transit lane or bus stop are not recorded or stored.
- **Not use data collected for general law enforcement:** Images and related violation data collected through the program can only be used for enforcement of parking violations in transit lanes and transit stops. State law prohibits their use for general law enforcement purposes except under limited court-ordered circumstances.
- **Include strict limits on data retention:**
    - Images that do not show a confirmed violation are deleted within **15 days** of capture.
    - Images related to a confirmed violation are kept only as long as needed for the citation process and then permanently destroyed, as required by law.
- **Have built-in privacy protections:** Any pedestrians, drivers, or unrelated license plates that appear in an image are automatically blurred to protect privacy.
- **Include no facial recognition or biometric identification:** The system does not identify people and is prohibited from using facial recognition or other biometric technologies.
- **Ensure SFMTA owns and controls the data:** All information collected through the program remains the exclusive property of **SFMTA**. The technology vendor does not own or control the data.
- **Meet some of the world's highest privacy standards:** Hayden AI operates in countries subject to the **General Data Protection Regulation (GDPR)**, the European Union's comprehensive privacy law, as well as privacy requirements in the United Kingdom. This demonstrates the company's ability to comply with stringent data protection and privacy standards.

Procurement Process

On November 19, 2025, the SFMTA issued a request for proposals from qualified firms to provide a commercial off-the-shelf automated transit lane and transit stop enforcement system (system). The scope of work under a single, negotiated contract encompasses the design, procurement, installation, testing, training, maintenance, upgrades, and full lifecycle support of the system.

The maximum six-year term of the contract includes a pilot period, an implementation period, an operations and maintenance period, and continued integration throughout the contract term with the SFMTA's citation processing service platform and vendor environment, including any vendors that may be engaged, replaced, or transitioned during the term of the contract.

The SFMTA received proposals from three firms by January 15, 2026. During the review of proposers' compliance with the minimum qualification requirements, one bidder elected to

withdraw from the procurement on January 30, 2026, while another was determined to be non-responsive for not having the required prior experience on public transit vehicles. Specifically, the SFMTA was unable to verify that the second firm's proposed solution had been implemented with at least three public transit agencies. A five-member selection committee consisting of staff from Alameda-Contra Costa (AC) Transit, the Mayor's Office of Innovation, the SFMTA, and the Santa Clara Valley Transportation Authority (VTA) evaluated the remaining written proposal, and selected Hayden to proceed to negotiations with the SFMTA.

Hayden's proposed pricing was found to be fair and reasonable following negotiations and a detailed analysis of labor, equipment, software, systems integration, maintenance, training, and support costs. The proposed solution offers a single, integrated interface that promotes operational consistency and simplifies system administration. The proposed pricing is commensurate with the specialized nature of automated transit lane and transit stop enforcement technology and reflects the functionality, integration capabilities, and ongoing support required to successfully operate and maintain the Next-Gen System.

Public Outreach and Education

The SFMTA's approach to transit lane and transit stop compliance is built around the "Three Es": Education, Engineering, and Enforcement. This integrated approach places a strong emphasis on education-first interventions to influence driver behavior.

Prior to launching the Next-Gen System, the SFMTA will deploy a public education campaign to raise awareness about automated transit stop and transit lane enforcement and the importance of protecting transit infrastructure. This campaign will build on previous successful education campaigns.



Bus-mounted messaging deployed in previous transit lane compliance education campaign.

Recognizing that motorists are a difficult audience to reach through traditional outreach, the SFMTA will launch an educational campaign, prior to issuing warnings or citations, leveraging multiple engagement tactics, including:

- Deploying multilingual outreach through traditional media, social media and digital advertising;
- Raising broad awareness of the Next-Gen System through bus-mounted messaging;
- Distributing educational materials to commercial delivery companies, transportation network companies (TNCs), and taxi drivers; and
- Working with elected officials and community organizations to distribute information via their communications channels.

These efforts are informed by industry best practices and ongoing research into effective methods for educating drivers about transit lane and transit stop rules and consequences.

The launch of the educational campaign will be followed by a warning period of at least 60 days from the initial launch of the Next-Gen System through the ramp up towards full deployment. During this time SFMTA will send multilingual educational warning notices rather than citations to drivers in violation. State law requires that transit agencies issue warning notices for 60 days before issuing camera-based citations for new violations. While SFMTA already issues camera-based citations for parking in transit lanes and in transit stops adjacent to transit lanes, the Next-Gen System will provide the first opportunity for the agency to issue citations for parking in any transit stop throughout the Muni system. This also represents a significant expansion of transit lane and transit stop enforcement. To avoid confusion, warning notices will be issued for all transit stop and transit lane violations. This will provide violators with the opportunity to change their behavior and practices before fines are issued.

Engineering also supports public awareness through red transit lane colorization, striping, and transit lane and transit stop signage to increase visibility and clarity. All transit lanes are clearly striped with solid white lane lines, transit lane stencils, and signage. In addition, the SFMTA has been a national leader in the use of red transit lanes to enhance compliance. These treatments have led to an average 50% reduction in transit lane violations. Since 2014, the SFMTA has applied red colorization to over 26 directional lane miles of full-time transit lanes. The SFMTA is continuing to pursue colorization of additional transit lane miles and improved signage at bus stops throughout the Muni system.

While education and engineering are foundational, the third component of the "Three Es" – automated enforcement – is essential to achieving sustained compliance. Data from the existing TOLE program shows that receiving a citation is a highly effective deterrent: approximately 93% of cited vehicles do not receive a second citation. Similarly, data from AC Transit showed a 50% reduction in bus lane citations after the implementation of Hayden AI's system, as well as a 20% reduction in bus stop parking citations[1].

[1] Source: https://www.metro-magazine.com/news/california-law-extends-ac-transits-bus-lane-camera-enforcement

Additional information about internal and external stakeholder engagement in the development of the contract is detailed in the Stakeholder Engagement in Contract Development section below.

Project Implementation Planning

To minimize disruption to Muni riders, the SFMTA will implement the Next-Gen System in a way that avoids impacts to revenue service. Installation activities will be scheduled during non-revenue hours, ensuring that buses remain fully available for daily operations.

A training program tailored to specific SFMTA staff will be scheduled and conducted to allow operations and maintenance staff, including the PCOs who will review evidence and issue citations, to gain hands-on experience with the Next-Gen System while vendor technical experts are on-site to provide support and guidance.

The project will begin with a pilot deployment on two buses operating on two selected routes. This testing period will validate that the Next-Gen System meets all specified performance, quality, and safety standards. Upon successful completion and formal approval of the pilot by SFMTA staff, the Next-Gen System will be rolled out to 210 additional buses.

Throughout the installation process, SFMTA staff will conduct formal acceptance reviews for each vehicle to ensure compliance with contract requirements and performance expectations.

Project Funding

The proposed contract is financially sustainable. Initial capital costs will be funded through a California Department of Transportation Low Carbon Transit Operations Program (LCTOP) grant, and the flexible payment structure is designed so that contract payments are less than net program revenue. The contract includes an initial three-year term for a total amount of $14,119,200: $1,908,000 to procure and install systems on 212 vehicles and $12,211,200 to maintain the system for the three-year contract period, including warranties, software licenses, hardware and system maintenance, and monthly contractor service fees. An additional $636,132 of SFMTA staff time (non-vendor soft costs) is also anticipated. Both the one-time capital cost and non-vendor soft costs are funded by the LCTOP grant. On-going operations are funded by projected transit lane and transit stop citation revenue. The contract includes an option to extend the maintenance period for three additional one-year terms at $3,816,000 per year, as well as an estimated $175,000 for as-needed non-warranty spare parts & labor.

The contract also includes options for expansion, including $29,303,395 in optional tiered pricing for potential future deployments on up to 812 additional transit vehicles. These options preserve favorable pricing should the SFMTA choose to expand the program following demonstrated success and identification of capital funding sources. Table 1 on the following page shows the contract budget and does not include SFMTA staff costs or other soft costs associated with the contract.

Table 1 – Contract Budget

Summary

DESCRIPTION	One-Time Costs ($)	Ongoing Operations ($)	Total ($)
Initial Term and Option for Additional Years	1,908,000	23,834,200	25,742,200
Options for Expansion	4,200,000	25,103,395	29,303,395
TOTAL	**6,108,000**	**48,937,595**	**55,045,595**

Initial Term and Option for Additional Years

CONTRACT YEAR	One-Time Costs ($)	Ongoing Operations ($)	Total ($)
One (Initial)	1,908,000	4,070,400	5,978,400
Two (Initial)	0	4,070,400	4,070,400
Three (Initial)	0	4,070,400	4,070,400
SUB-TOTAL	**1,908,000**	**12,211,200**	**14,119,200**
Four (Option)	0	3,816,000	3,816,000
Five (Option	0	3,816,000	3,816,000
Six (Option)	0	3,816,000	3,816,000
SUB-TOTAL	**0**	**11,448,000**	**11,448,000**
As-needed non-warranty spare parts & labor	0	175,000	175,000
TOTAL	**1,908,000**	**23,834,200**	**25,742,200**

Options for Expansion

DESCRIPTION	One-Time Costs ($)	Ongoing Operations ($)	Total ($)
Up to 412 total buses	1,600,000	9,563,198	11,163,198
Up to 612 total buses	1,400,000	8,367,798	9,767,798
Up to 812 total buses	1,200,000	7,172,399	8,372,399
TOTAL	**4,200,000**	**25,103,395**	**29,303,395**

The contractor's monthly service fee is capped at $1,600 per bus with the system installed. This fee is subject to deferral or reduction if net program revenues are insufficient to cover program costs. The SFMTA expects the program to generate revenues sufficient to cover the costs and potentially produce a positive net financial benefit.

If the monthly revenue is lower than the monthly service fee, the unpaid difference will be recorded as a deferred balance. If, in the same calendar year, monthly revenue exceeds the monthly service fee in future months, the contractor may receive payments toward that deferred balance, up to the amount of the additional revenue collected or the deferred balance, whichever is lower. Beginning on January 1, 2028, the accrued/deferred amount will not extend beyond the current calendar year and will reset to $0 each year on January 1. In short, if the program does not generate sufficient revenue per month to pay the service fee, the SFMTA will not need to pay the full service fee for that month.

SFMTA staff estimated future citation issuance using data collected during the Transit Lane and Transit Stop Enforcement proof-of-concept phase and assumed the technology contemplated in the proposed contract would increase the number of citations issued. Assuming existing staffing levels, comparable operating conditions, enforcement opportunities, citation processing practices, collection rates across an expanded fleet, and two to nine citations issued per day per bus, projected citation revenue would be expected to exceed on-going operating costs by at least $5 and up to $38 million, depending on citation issuance. Actual results may vary depending on deployment levels, traffic conditions, driver compliance, adjudication outcomes, collection rates, and success in changing driver behavior.

Metric	Current System	Next Generation System (212 buses)	
		Low estimate (2 citations/ day/bus)	High estimate* (9 citations/ day/bus)
Citation events identified daily	35	424	1,908
Fine per citation (minimum)[2]	$108	$108	$108
Enforceable days per year	365	365	365
Anticipated annual citation amount	$1,379,700	$16,714,080	$75,213,360
Anticipated collection rate	65%	65%	65%
Processing fees	($131,105)	($1,560,755)	($7,023,396)
Estimated annual revenue	$765,700	$9,303,397	$41,865,288
Operating cost	N/A	($4,070,400)	($4,070,400)
Potential annual net revenue*	**$765,700**	**$5,232,997**	**$37,794,888**

*Expect to change driver behavior over time so some reduction is anticipated

[2] The SFMTA is reviewing the citation amounts for transit lanes and stops, and have assumed $108, which is the current citation fee for transit lane parking violations.

Local Business Enterprise Participation

The SFMTA requested and received a waiver of the Chapter 14B Local Business Enterprise (LBE) subcontracting requirements for the RFP due to the nature of the specialized proprietary hardware and software services which do not allow for subcontracting opportunities.

Stakeholder Engagement in Contract Development

SFMTA staff engaged a broad range of internal and external stakeholders regarding the implementation of the Next Generation Transit Lane and Transit Stop Enforcement Program.

Internal engagement included coordination with Fleet Engineering, Transit Performance and Technology, Transit Operations, Parking Enforcement, Information Technology, Security, Revenue Operations, Communications, Procurement, and Finance staff. SFMTA operators, transit supervisors, and PCOs provided operational feedback regarding locations where vehicles blocking transit lanes and transit stops most significantly affect transit reliability, accessibility, safety, and service delivery.

Staff engaged with the city's privacy and data governance stakeholders to ensure that data collection, storage, access controls, retention periods, and disclosure practices are consistent with applicable city requirements, policies, and best practices. Staff also coordinated with stakeholders to discuss project goals, implementation strategies, equity considerations, and performance measures.

External stakeholder engagement included outreach and presentations to transit rider advocacy organizations and peer transit agencies. As the program prepares for deployment, the SFMTA will launch an expanded public outreach and education campaign as detailed in the Public Outreach and Education section above.

Alternatives Considered

Status Quo – Maintain the Existing TOLE System
Under this approach, the SFMTA would continue to invest resources to maintain the current TOLE system in a state of good repair for as long as feasible. However, this option offers no additional operational benefits and would perpetuate the limitations of outdated technology. The current system relies heavily on manual video review and limited staffing significantly constrains enforcement capacity and geographic coverage. As a result, this alternative would not effectively support the Agency’s goals of enhancing transit accessibility and reliability, achieving affordability and equity objectives, improving system efficiency, and increasing compliance with transit lane and transit stop parking regulations.

Given these limitations, the SFMTA determined that maintaining the status quo is not a viable long-term solution and that a modern, automated enforcement system is necessary to meet the city’s transit performance, accessibility, safety, and equity objectives.

Funding Impact

The initial contract term and option periods include deployment and operation of enforcement systems on 212 buses and non-vendor soft costs for a total amount of $26,378,332. As shown

in the table below, capital and non-vendor soft costs would be funded by a grant, and on-going operations would be funded by projected citation revenue.

Source	Amount ($)	Use
Low Carbon Transit Operations Program (LCTOP)	1,908,000	Capital Cost
Low Carbon Transit Operations Program (LCTOP)	636,132	Non-vendor Soft Costs
Transit Lane and Transit Stop Citation Revenue	23,834,200	Max 6-year Operating Cost
Initial Term + Non-vendor Soft Costs + 3 Years Total	**26,378,332**	

Should the SFMTA decide to execute the option to include additional buses, the additional $29,303,395 would be funded by transit lane citation revenue in excess of program costs.

The $2,544,132, consisting of $1,908,000 and $636,132, for work scheduled for completion is fully funded through the FY2025-2029 Capital Improvement Program (CIP) cycle.

Environmental Review

On July 10, 2026, the SFMTA, under authority delegated by the Planning Department, determined that the proposed agreement is not a "project" under CEQA pursuant to CEQA Guidelines Sections 15060(c) and 15378(b) because the action would not result in a direct or a reasonably foreseeable indirect physical change to the environment.

A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors and is incorporated herein by reference.

Other Approvals Received or Still Required

The contract award will require approval by the SFMTA Board and the Board of Supervisors.

The Contract Compliance Office has reviewed this calendar item.

The Civil Service Commission has approved contracting out the work associated with implementing and maintaining the enforcement system

The City Attorney's Office has reviewed this calendar item.

RECOMMENDATION

Staff recommends authorizing the Director of Transportation to execute Contract No. SFMTA-2025-86-LOC with Hayden AI Technologies, Inc. (Hayden) for the implementation and operation of a Transit Lane and Transit Stop Enforcement System, for a total not-to-exceed contract amount of $55,045,595 and an initial term of three years, with three one-year options to extend, totaling a term of six years, subject to approval by the Board of Supervisors under Charter Section 9.118; and authorizing the Director of Transportation to make any modifications to the agreement, prior to the execution of the agreement, that do not materially increase the obligations or liabilities to the city and are necessary to effectuate the purposes of the agreement; and recommending that the Board of Supervisors approve the contract pursuant to that authority.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, The SFMTA has operated the Transit-Only Lane Enforcement (TOLE) program since 2008, becoming the first agency in the nation to deploy a forward-facing, bus-mounted camera system for transit lane enforcement; and,

WHEREAS, The program has demonstrated value in reducing transit delay associated with illegal parking in transit lanes and reducing barriers to safe and accessible boarding. However, its current effectiveness is constrained due to outdated equipment requiring manual review and limited staffing; and,

WHEREAS, A Next Generation Transit Lane and Transit Stop Enforcement System would leverage advancements in technology, enabling the SFMTA to expand enforcement coverage to support the SFMTA's goals for transit reliability, safety, and equity; and,

WHEREAS, A Next Generation Transit Lane and Transit Stop Enforcement System would also enhance privacy policies and practices; and,

WHEREAS, On November 19, 2025, the SFMTA issued RFP No. SFMTA-2025-86-LOC for a Transit-Only Lane and Transit Stop Enforcement System and received three proposals; however, during the review of proposers' compliance with the minimum qualification requirements, one bidder elected to withdraw from the procurement, and another was determined to be non-responsive for not meeting the required prior experience on public transit vehicles; and,

WHEREAS, Following an evaluation process, Hayden AI Technologies, Inc. was selected for award, with a not-to-exceed contract amount of $55,045,595 and three-year term with three one-year options to extend, totaling a maximum six-year term; and,

WHEREAS, The proposed contract is financially sustainable, as initial capital costs will be funded through grant resources, and the flexible payment structure is designed so that contract payments do not exceed net program revenue; and,

WHEREAS, the proposed system will protect the public's privacy and civil rights and liberties by complying with the City's Surveillance Technology Policy and will provide transparency to the public about the use of Artificial Intelligence by complying with San Francisco's Artificial Intelligence Tools Ordinance; and,

WHEREAS, the proposed system will not use data for general law enforcement; and,

WHEREAS, the proposed system will include strict limits on data retention, and will only record information when it detects a vehicle parked at a transit lane or bus stop; and,

WHEREAS, the SFMTA will launch an educational campaign, followed by a period of at least 60 days from the initial launch of the Next-Gen System during which SFMTA will send multilingual educational warning notices rather than citations to drivers in violation; and,

WHEREAS, The SFMTA, under authority delegated by the Planning Department, determined that the proposed agreement is not a "project" under CEQA pursuant to CEQA Guidelines Sections 15060(c) and 15378(b) because the action would not result in a direct or a reasonably foreseeable indirect physical change to the environment; and,

WHEREAS, SFMTA staff recommends the approval of the contract with Hayden AI Technologies, Inc. to implement and operate a Transit Lane and Transit Stop Enforcement System for the SFMTA; and,

WHEREAS, Board of Supervisors approval is required under San Francisco Charter Section 9.118; now, therefore, be it

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors authorizes the Director of Transportation to execute Contract No. SFMTA-2025-86-LOC with Hayden AI Technologies, Inc. (Hayden) for the implementation and operation of a Transit Lane and Transit Stop Enforcement System, for a total not-to-exceed contract amount of $55,045,595 and an initial term of three years, with three one-year options to extend, totaling a term of six years, subject to approval by the Board of Supervisors under Charter Section 9.118; and be it further

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors authorizes the Director of Transportation to make any modifications to the Agreement, prior to its final execution by all parties, that the Director of Transportation determines, in consultation with the City Attorney, are consistent with this Resolution, in the best interest of the city, do not materially increase the obligations or liabilities of the city, are necessary or advisable to effectuate the purposes of the Agreement or this Resolution, and are in compliance with all applicable laws, including City's Charter; and, be it further

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors recommends that the Board of Supervisors approve Contract No. SFMTA-2025-86-LOC.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting on November 17, 2026.

_____

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency