

CITY COUNCIL ACTION REQUEST

DEPARTMENT(S) Finance	CEQA Determination of Consistency with the Norman Y. Mineta San José International Airport Master Plan Amendment Environmental Impact Report, File No. ER22-279	COORDINATION Airport Department; City Attorney's Office; City Manager's Budget Office	Director Approval /s/ Maria Öberg
COUNCIL DISTRICT(S) Citywide			CMO Approval  8/8/25

SUBJECT: Actions Related to the Purchase Order with Daifuku Services America Corporation for the Installation of Preconditioned Direct Expansion Air Handling Units for Passenger Boarding Bridges

RECOMMENDATION

Adopt a resolution authorizing the City Manager or her designee to:

- (a) Execute a purchase order with Daifuku Services America Corporation (Carrollton, TX) for the installation of preconditioned direct expansion air handling units for passenger boarding bridges, for a one-year term beginning on or about September 1, 2025, and ending on or about August 31, 2026, for a not-to-exceed amount of \$2,000,000; and
- (b) Exercise up to six one-year options to extend the term of the purchase order, with the last option ending on or about August 31, 2032, subject to the appropriation of funds.

BASIS FOR RECOMMENDATION

The Airport Department is responsible for overseeing the maintenance of pre-conditioned air equipment used for providing cool air through passenger boarding bridges. Due to age and utilization, 12 existing pre-conditioned air handling units have exceeded their useful life and are due for replacement. The Airport Department submitted a grant application to the Federal Aviation Administration for the pursuit of grant funds to replace these aging pre-conditioned air units. In September 2024 the Airport Department was awarded grant funding of \$1,733,511 for the replacement of existing pre-conditioned air handling units.

In June 2025, a competitive Request for Bids was released by the Finance Department to procure these services. The Request for Bids provisioned for a one-year initial term and six additional one-year options for the City to extend the term. Three responsive bids were submitted, and no protests were received. None of the bidders qualified for the City's local or small business preference. Staff recommends awarding the contract to Daifuku Services America Corporation as the lowest priced responsive and responsible bidder pursuant to the bidding procedures of the San José Municipal Code, Section 4.12.310B(1). Approval of this recommendation will ensure the City receives these essential services.

COMMISSION RECOMMENDATION AND INPUT

There is no commission recommendation or input associated with this action.

COST AND FUNDING SOURCE

The recommended action relating to this purchase order of \$2,000,000 is funded by the Preconditioned Air Units appropriation in the Airport Renewal and Replacement Fund and the Airport Capital Improvement Fund. The 2025-2026 Adopted Operating Budget was approved on June 10, 2025 and adopted on June 17, 2025 by the City Council.

FOR QUESTIONS CONTACT: Albie Udom, Deputy Director of Finance - Purchasing and Risk Management, at Albie.Udom@sanjoseca.gov.