


**CITY COUNCIL ACTION REQUEST**

<b>DEPARTMENT(S)</b> Finance	<b>CEQA</b> Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.	<b>COORDINATION</b> City Attorney's Office, City Manager's Budget Office, Department of Transportation	<b>Director Approval</b> /s/ Maria Öberg
<b>COUNCIL DISTRICT(S)</b> Citywide			<b>CMO Approval</b>  1/26/25

**SUBJECT: Amendment to the Agreement with Passport Labs, Inc. for Mobile Parking Payment Services**

**RECOMMENDATION**

Adopt a resolution authorizing the City Manager or her designee to negotiate and execute an amendment to the agreement with Passport Labs, Inc. for mobile parking payment services to extend the term of the agreement for two additional years, from March 1, 2025 through February 28, 2027.

**BASIS FOR RECOMMENDATION**

In 2015, the City of San José successfully piloted a mobile parking payment service in collaboration with Passport Labs Inc. (Passport), formerly PassportParking, enabling parkers to pay for parking using a smartphone or mobile web application. Following this pilot program, the City issued a competitive Request for Quotes to identify a vendor capable of providing this service on a long-term basis. Passport Labs was selected, demonstrating a clear understanding of the City's requirements and the capacity to implement the service effectively.

In March 2017, the City entered into an agreement with Passport for an initial one-year term with seven additional one-year options to extend, allowing for continuity of service through February 28, 2025. The agreement provides the City access to Passport Labs' software, enabling customers to pay for parking using various platforms, including a smartphone app, automated phone system, or desktop web application. The agreement also outlines no direct cost to the City for the use of the software, with fees applied directly to end users.

While the City of San José intends to issue a competitive solicitation for mobile parking payment services, exigent circumstances and operational priorities have delayed the completion of the procurement process. An extension of the current agreement with Passport Labs will ensure the continuity of critical services while providing adequate time for the City to finalize and conduct a robust competitive procurement process. Passport Labs' mobile parking payment service has proven to be a reliable, user-friendly solution that meets the City's operational needs. As the current term approaches its expiration, staff recommends extending the term of the agreement by two years to February 28, 2027, to allow for enough time to complete a new solicitation and, if necessary, onboard and implement a new parking system.

**COMMISSION RECOMMENDATION AND INPUT**

No commission recommendation or input is associated with this action.

**COST AND FUNDING SOURCE**

There are no costs associated with this action and revenue for this two-year agreement is estimated at \$620,000, at \$310,000 anticipated per year, already included in the 2024-2025 Modified Budget.

**FOR QUESTIONS CONTACT:** For program related questions, please contact Elias Khoury, Parking Manager, at [elias.khoury@sanjoseca.gov](mailto:elias.khoury@sanjoseca.gov). For procurement- and contract-related questions, please contact Albie Udom, Deputy Director of Finance – Purchasing and Risk Management, at [albie.udom@sanjoseca.gov](mailto:albie.udom@sanjoseca.gov).