


CITY COUNCIL ACTION REQUEST

DEPARTMENT(S) Finance	CEQA Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.	COORDINATION Airport Department, City Attorney's Office, and City Manager's Budget Office	Director Approval /s/ Maria Öberg
COUNCIL DISTRICT(S): Citywide			CMO Approval  6/3/25

SUBJECT: Agreement with Flagship Aviation Services, LLC for Airport Concessions Maintenance Services

RECOMMENDATION

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

- (a) Negotiate and execute an agreement with Flagship Aviation Services, LLC (Southlake, TX) for concessions maintenance services for the San José Norman Y. Mineta International Airport for a maximum compensation of \$305,131, for the initial term beginning on or about July 1, 2025, and ending on or about June 30, 2026;
- (b) Negotiate and execute amendments as required for any unanticipated changes during the initial term beginning on or about July 1, 2025, and ending on or about June 30, 2026, subject to the appropriation of funds;
- (c) Approve a contingency amount of \$30,000 for unanticipated changes during the initial term beginning on or about July 1, 2025, and ending on or about June 30, 2026, subject to the appropriation of funds; and
- (d) Exercise up to six one-year options to extend the term of the agreement through June 30, 2032, subject to the appropriation of funds.

BASIS FOR RECOMMENDATION

The Airport currently has seven onsite concessionaires, each responsible for maintaining infrastructure systems such as plumbing, electrical, heating, ventilation, air conditioning, and other operational components within their respective areas. When these systems are not properly maintained, it can lead to property damage and negatively impact the Airport's broader infrastructure. Concessionaires are also responsible for maintaining lighting, ceiling and floor repairs, plumbing, and grease interceptors, as well as addressing any damage caused by their operations.

Airport staff oversees all preventive maintenance and repairs, including inspecting sites, issuing maintenance reminders, tracking work completion, collecting documentation, and verifying adherence to Airport standards. This process places a significant administrative burden on Airport staff.

To streamline operations and ensure consistent infrastructure maintenance, Airport staff wants to implement a centralized maintenance support system. This approach would ensure timely maintenance and upkeep, reduce infrastructure damage, and provide consistent servicing of

shared utility systems. Transitioning these responsibilities to a centralized provider would allow Airport staff to focus on core responsibilities such as facility maintenance and property management. Furthermore, staff believe that such a centralized model would provide a cost-effective solution for concessionaires by sharing the cost of full-time maintenance personnel and gaining access to skilled trades.

In February 2025, the Finance Department released a request for proposals on behalf of the Airport Department for airport concessions maintenance services through the City's e-procurement system, Biddingo. Over 16,000 vendors were notified of the bid opportunity by Biddingo through its daily bid notices, and 17 companies viewed the Request for Proposals. Two vendors submitted proposals in response prior to the submittal deadline.

The proposals were independently evaluated and scored, in accordance with the evaluation criteria set forth in the request for proposals, by a four-member evaluation team comprised of representatives from the Airport Department and airport concessionaires. In accordance with City of San José Municipal Code, Section 4.12.320, 10% of the total evaluation points were allocated for the local and small business preference. One vendor requested the local business preference but did not qualify due to the requirement for a current City business tax registration at the bid submittal deadline. At the conclusion of this evaluation stage, Flagship Aviation Services, LLC scored higher than the other proposer.

Based on these results, staff recommends award of contract for the services to Flagship Aviation Services, LLC, as the top-ranked responsive and responsible proposer.

Approval of this recommendation will allow staff to execute an agreement with Flagship Aviation Services, LLC to provide the Airport with concessions maintenance services through June 30, 2032, subject to the appropriation of funds.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

COST AND FUNDING SOURCE

The cost of the recommended action of \$305,131 is to be funded from the Airport Non-Personal/Equipment Appropriation in the Airport Maintenance and Operation Fund. The Airport expects this cost to be reimbursed by the Airport's concessionaires to offset the cost of the agreement. The 2025-2026 Proposed Budget was released on May 1, 2025 and is scheduled to be reviewed on June 10, 2025, and adopted on June 17, 2025 by the City Council.

FOR QUESTIONS CONTACT: For program related questions, please contact Matthew Kazmierczak, Division Manager, at mkazmierczak@sjc.org. For procurement- and contract-related questions please contact Albie Udom, Deputy Director Finance – Purchasing and Risk Management, at albie.udom@sanjoseca.gov.