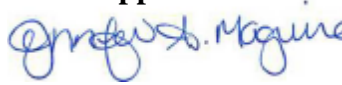


CITY COUNCIL ACTION REQUEST

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	Dept. Approval: /s/ Julia H. Cooper
Council District(s): Citywide			CMO Approval:  9/4/2020

SUBJECT: ACTIONS RELATED TO PURCHASE ORDERS WITH TELOS IDENTITY MANAGEMENT SOLUTIONS, LLC FOR DESIGNATED AVIATION CHANNELING SERVICES AT THE SAN JOSE INTERNATIONAL AIRPORT

RECOMMENDATION:

Adopt a resolution authorizing the City Manager to:

- (a) Execute purchase order(s) with Telos Identity Management Solutions, LLC (“TelosID”) (Ashburn, VA) for Designated Aviation Channeling (“DAC”) services at the Airport, including related professional services, equipment, materials, software subscription and transaction fees, support, and maintenance, for an initial two-year term beginning October 1, 2020, and up to five (5) one-year options to extend the term through September 30, 2027, for a maximum compensation not to exceed \$118,930 for the first year from October 1, 2020 through September 30, 2021, subject to the appropriation of funds;
- (b) Amend purchase order(s) during the initial term to increase compensation for up to \$100,000 from contingency for increases in demand and unanticipated expenses to ensure full regulatory compliance and optimize system performance and operation, subject to the appropriation of funds.

Desired Outcome: To enhance security, ensure safety, reduce vulnerability and risk to air transportation, and comply with all federal requirements for vetting processes at the Airport.

BASIS FOR RECOMMENDATION:

The Airport, in conjunction with the Transportation Security Administration (TSA), is required, under the Code of Federal Regulations (CFR) Title 49 Part 1542 to conduct background checks on all individuals who need, or have, unescorted access to secure areas of the Airport, such as Airport employees, volunteers, airline employees, concessionaires, aircraft operators, interns, and tenants. The TSA-mandated vetting process requires the Airport to compare the applicant’s information against federal criminal and immigration databases to determine whether the applicant is eligible to be issued a security badge. The Airport currently has approximately 6,000 badge holders and experienced record growth in recent years, both in passenger and employee numbers, until the advent of the COVID-19 pandemic. The current purchase order for these services, which are necessary for the Airport to meet these federal requirements, is on its last option and will expire September 30, 2020.

In November 2019, the City released a Request for Bid (RFB) soliciting responses from qualified vendors to provide DAC services at the Airport. The TSA requires that airports use TSA-approved DAC services providers for the vetting process, and currently there are only two (2) TSA-approved firms. Both eligible vendors downloaded the bid package, but neither responded prior to the bid closing. Because no bids were received, staff contacted the two vendors to find out why they did not respond: one vendor stated that since price was the sole determining factor for award, they felt that gave the incumbent vendor an advantage, and the second vendor (the incumbent) did not respond to staff’s multiple attempts at contact to determine why they did not submit a bid.

In February 2020, the City released another RFB for these services. The same firms downloaded the bid package, and TelosID (the incumbent) submitted a bid response prior to the bid closing. A Notice of Intended Award was issued recommending award to TelosID as the sole respondent, and no protests were received.

Approval of this recommendation will allow the Airport to continue DAC services to ensure regulatory compliance.

Climate Smart San José: The recommendation in this memo aligns with one or more Climate Smart San José energy, water, or mobility goals.

Commission Recommendation/Input: There is no commission recommendation or input associated with this action.

This Council action is consistent with the City’s 2020-2021 Adopted Operating Budget, Transportation, and Aviation Services’ mission: “To provide the community with safe, secure, and efficient surface and air transportation systems that support San José’s livability and economic vitality.”

COST AND FUNDING SOURCE:

Fund #	Appn #	Appn. Name	Total Appn	Amt. for Contract	2020-2021 Proposed Operating Budget Page*	Last Budget Action (Date, Ord. No.)
523	0802	Airport Non-Personal/ Equipment	\$48,519,899	\$118,930	IX-3	06/23/2020 Ord. No. 30437

*The 2020-2021 Operating Budget was adopted by City Council on 6/23/2020 but is not yet published.

FOR QUESTIONS CONTACT: Jennifer Cheng, Deputy Director of Finance, at (408) 535-7059