


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 City Attorney's Office, City Manager's Budget Office, and Department of Transportation	Director Approval <div style="text-align: center;">/s/ Maria Öberg</div>
COUNCIL DISTRICT(S) 3			CMO Approval <div style="text-align: center;">  7/28/25 </div>
SUBJECT: First Amendment to the Agreement with Q-Free TCS, Inc. for Ongoing Services and Maintenance of a Garage Level Space Counting System.			
RECOMMENDATION			
<p>Adopt a resolution authorizing the City Manager or her designee to:</p> <ul style="list-style-type: none"> (a) Negotiate and execute the First Amendment to the agreement for the purchase and maintenance of a Garage Level Space Counting System with Q-Free TCS, Inc. to extend the term by adding up to five additional one-year option periods from November 1, 2025 through Oct 31, 2030, under the same terms and conditions as the original agreement; and (b) Increase the not-to-exceed amount by \$294,625 to cover the compensation for the option periods beginning November 1, 2025 and ending October 31, 2030, for a new not-to-exceed amount of \$675,849, subject to the appropriation of funds. 			
BASIS FOR RECOMMENDATION			
<p>The Department of Transportation manages approximately 1,385 available parking spaces within the Market Street/San Pedro Square Garage. In November 2015, the City of San José approved a contract with Q-Free TCS to design and build a Garage Multi-Level Space Counting System ("LSCS" or "System"), which directs motorists to available parking spaces within the Market Street/San Pedro Square Garage. The original agreement had an initial term from November 1, 2015, through October 31, 2020, with a maximum compensation for the initial term of \$381,224. It also included five one-year options to extend the agreement. The current option expires on October 31, 2025.</p> <p>Staff has determined that the City's existing level space counting system deployed by the contractor has at least five additional years of useful life. Staff requests authorization to add up to five additional one-year option terms. This would extend the agreement through October 31, 2030, allowing the City to take advantage of this remaining useful life, allocate sufficient time to secure funding for replacement, and conduct a competitive solicitation procurement process in accordance with the San José Municipal Code.</p> <p>Approval of this recommendation will allow the City to continue to use the existing level space counting system to manage parking inventory and enhance customer experience. Extending the term of the agreement will ensure the uninterrupted operation and maintenance of the real-time garage space counting system, reduces parking search time, and supports downtown parking efficiency, particularly during peak hours and major events.</p>			

If approved, the extended maintenance contract will include system monitoring and diagnostics, software updates and support, repair or replacement of failed components, and ongoing technical assistance.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

COST AND FUNDING SOURCE

The recommended amendment to this agreement of \$294,625 is funded by the DOT Non-Personal/Equipment appropriation in the General-Purpose Parking Fund. The amount of \$58,925 compensation is for the option period from November 1, 2025 to October 31, 2026. Funding for ongoing fees beyond Fiscal Year 2025-2026 will be subject to the appropriation of funds through the City's annual budget process. 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: For program-related questions, please contact Heather Hoshii, Deputy Director, Department of Transportation, at heather.hoshii@sanjoseca.gov. For contract- and procurement- related questions, please contact Albie Udom, Deputy Director of Finance – Purchasing and Risk Management, at albie.udom@sanjoseca.gov.