



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Maria Öberg
Mukesh (Mookie) Patel

SUBJECT: See Below

DATE: May 27, 2025

Approved

Date:

6/3/2025

COUNCIL DISTRICT: Citywide

SUBJECT: First Amendment to the Agreement with Amadeus Airport IT Americas, Inc. for Network and Integrated Systems at the San José Mineta International Airport

RECOMMENDATION

Adopt a resolution authorizing the City Manager or her designee to negotiate and execute the first amendment to the Agreement for Network and Integrated Systems for the San José Mineta International Airport with Amadeus Airport IT Americas, Inc. (Orlando, FL), formerly known as Air-Transport IT Services Inc., to

- (a) Add two one-year options to extend the term of the agreement for a total of five options to potentially extend the term of the Agreement to June 30, 2027;
- (b) Increase the maximum compensation by \$8,000,000 for a combined total of \$27,549,241, subject to appropriation of funds; and
- (c) Add relevant Information Technology security requirements to comply with new Transportation Security Administration regulations.

SUMMARY AND OUTCOME

Approval of this recommendation will ensure the continuance of maintenance and support for business-critical integrated systems and equipment at the San José Mineta International Airport (Airport) until a competitive solicitation is completed and a new agreement is in place.

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BACKGROUND

In February 2006¹, City Council authorized staff to negotiate and execute an agreement with Air-Transport IT Services Inc. to purchase and support shared-use technology for gates, ticket counters, and systems used to communicate airline activities to Airport staff and the public (Integrated Systems) to support the Airport's current and future operations. The Integrated Systems include an Airport operational database, a multi-user flight information display system, a passenger messaging system, a common-use passenger processing system, a resource management system, a local departure control system, and common-use self-service kiosks.

The agreement was awarded pursuant to a competitive Request for Proposals process and resulted in the purchase, installation, and configuration of the Integrated Systems. Since the execution of the agreement in 2006, City Council has approved multiple actions and amendments to extend the terms of the agreement² and expand the scope of work.

ANALYSIS

As part of the Airport's shared-use business model, the Airport provides airlines and tenants with technologies and applications to manage their operations. The Integrated Systems provided and maintained by Amadeus Airport IT Americas, Inc. are the backbone for this business model. Many of these applications operate on Amadeus Airport IT Americas, Inc., a proprietary software platform, enabling seamless integration between the various systems.

The Airport operates seven days per week, 24 hours a day, and 365 days per year. The Integrated Systems, along with the underlying network and technical infrastructure, are mission-critical and must function 100% of the time.

Negotiating and executing an extension for both the Integrated Systems and the integrated network will allow the Airport to address additional requirements, such as enhanced cybersecurity measures and on-call technical expertise. These additional requirements are largely driven by a new federal directive from the Transportation Security Administration, which mandates airports to implement a cybersecurity critical infrastructure plan. The on-call technical expertise element will provide the Airport with

¹ 2006 Council Memorandum: http://www3.sanjoseca.gov/clerk/Agenda/021406/021406_06.02.pdf

² 2008 Council Memo: http://www3.sanjoseca.gov/clerk/Agenda/20081202/20081202_0602.pdf;

2011 Council Memo: http://www3.sanjoseca.gov/clerk/Agenda/20111018/20111018_0602.pdf;

2016 Council Memo:

http://sanjose.granicus.com/MetaViewer.php?view_id=&event_id=2660&meta_id=602795

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access to specialized experts to perform critical tasks as needed for information technology, cybersecurity, and infrastructure needs.

Staff intends to conduct a competitive solicitation to procure a new agreement for the provision of these services and indeed is currently working on gathering the initial requirements for the solicitation. The requested amendment will ensure continuity of operations while affording staff sufficient time to complete the competitive solicitation.

EVALUATION AND FOLLOW-UP

The memorandum will not require any follow-up from staff.

COST SUMMARY/IMPLICATIONS

The recommended agreement amendment amount of \$8.0 million will be funded by the Airport Maintenance and Operation Fund. Of the \$8.0 million increase, a total cost of \$3,921,136 is to be expensed in 2025-2026, and the remaining amount is subject to the appropriation of funds in 2026-2027.

1. TOTAL COST OF CONTRACT/AGREEMENT	
Contract/Agreement Amount	\$8,000,000
 TOTAL CONTRACT/AGREEMENT AMOUNT	 \$8,000,000
2. COST ELEMENTS (Two Years):	
- Network and Infrastructure Ongoing Maintenance and Support	\$1,950,000
- Integrated Systems Ongoing Maintenance and Support	\$5,300,000
- Provision for Supplemental Service	\$750,000

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BUDGET REFERENCE

The table below identifies the fund and appropriation to fund the contract recommended as part of this memorandum.

Fund #	Appn. #	Appropriation Name	Total Appropriation	Amount for Amendment	2025-2026 Operating Budget Page*	Last Budget Action (Date, Ord. No.)
523	0802	Airport Non-Personal/ Equipment	\$59,102,392	\$3,921,136	848	N/A

* The 2025-2026 Proposed Operating 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.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office and the City Manager's Budget Office.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the June 17, 2025 City Council meeting.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

CEQA

Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

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/s/

MARIA ÖBERG
Director of Finance

/s/

MUKESH (MOOKIE) PATEL
Director, Airport Department

For questions, please contact Rosalyn Bond, Deputy Director, Airport Department, at rosalyn.bond@sanjoseca.gov or (408) 392-3505. For procurement- and contract-related questions, please contact Dr. Albie Udom, Deputy Director of Finance – Purchasing and Risk Management, at albie.udom@sanjoseca.gov.