



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Maria Öberg

**SUBJECT:** LexisNexis Risk Solutions  
Order Agreement

**DATE:** August 18, 2025

Approved

Date:

8/21/2025

**COUNCIL DISTRICT:** Citywide

**SUBJECT:** LexisNexis Risk Solutions Order Agreement

## **RECOMMENDATION**

- (a) Approve the LexisNexis Risk Solutions Order Agreement to subscribe to the DIIO database suite of airline analytic solutions for a one-year term, and six additional one-year options to extend, subject to the appropriation of funds; and
- (b) Adopt a resolution authorizing the City Manager or her designee to negotiate and execute future agreements within the City Manager's contract authority, for LexisNexis Risk Solutions products that have comparable risk profiles to the DIIO solutions, under the same or substantially similar terms and conditions relating to limitation of liability as those in the Order Agreement, subject to the appropriation of funds.

## **SUMMARY AND OUTCOME**

Accepting this recommendation would allow the City of San José (City) to execute (1) the LexisNexis Risk Solutions Order Agreement to purchase the DIIO database suite of airline analytic solutions, and (2) future agreements for any additional LexisNexis Risk Solutions products that meet the criteria outlined in the "Recommendation" section, enabling a more streamlined and efficient procurement process.

## **BACKGROUND**

The San José Mineta International Airport (Airport) has subscribed to the DIIO database since 2009. The DIIO database is a LexisNexis Risk Solutions (LexisNexis) aviation database and modeling system used to evaluate airline routes, schedules, profitability,

market demand and forecast potential performance of specific airline flights, competitive benchmarking, and other applications. The DIIO database tool has long been the U.S. airline industry standard across hundreds of airports and enterprise-wide subscriptions by commercial airlines. The two primary sources of data are provided by the U.S. Department of Transportation and commercial airline published worldwide flight schedules.

In May 2024, LexisNexis informed the City that to proceed with the subscription renewal, the City would need to agree to and sign the Order Agreement with their General Terms and Conditions.

## **ANALYSIS**

In reviewing the terms and conditions, staff identified one specific term (excerpted below) that the City does not typically agree to.

1. Section 8.1 - Limitation of Liability: Each party's total liability to the other arising out of or in connection with this Agreement, whether in contract, tort (including negligence), breach of statutory duty or otherwise, is limited to the Fees paid by Customer in that twelve (12) month period for the Product(s) to which the liability relates.

LexisNexis has indicated to the City that it is not willing to negotiate limitation of liability terms. Its position is that such terms are standard and required for all customers of the DIIO Solutions.

In practice, this limitation of liability sets a monetary cap of potential damages at approximately \$20,000, which represents about 12 months' worth of fees for the DIIO solutions, for both LexisNexis and the City. The primary risk occurs when damages to the City exceed \$20,000 as a result of the solutions' use or LexisNexis' actions, particularly in the case of (1) a cybersecurity or data breach, (2) issues with the solutions' reliability, availability, or performance, or (3) personal injury or property damage.

However, staff have determined that the likelihood of these risks occurring is low for the following reasons:

1. The DIIO solutions do not process, collect, or store any confidential, sensitive, or personal data of the City. Therefore, in the event of a cybersecurity breach, the City's exposure remains minimal.
2. LexisNexis Risk Solutions has an UpGuard (a third-party risk management solution) rating of B or 781/950 and generally has a solid record of reliability and performance.

3. The DIIO solutions are accessed via the cloud, and no LexisNexis employees will be on City property to install or maintain them. As a result, the risk of personal injury or property damage caused by such employees is minimal.

Furthermore, the Airport has been using the DIIO solutions since 2009 without any significant issues. The solutions are also both strategically and operationally essential to the Airport. The database is a highly specialized tool used by Airport staff to access critical aviation data and analytics (e.g., flight schedules, routes, airport information, and market analysis), and it is highly likely that few, if any, viable alternatives are available.

Finally, for LexisNexis products (e.g., the Accurint solutions used by the San José Police Department) with risk profiles comparable to those of the DIIO solutions, meaning the above analysis and risk assessments are equally applicable, the risks associated with accepting LexisNexis' limitation of liability terms are also minimal.

Should City Council accept the recommendation herein, staff will implement the following measures to further limit the City's risk exposure:

1. The Finance Department will manage the Order Agreement General Terms and Conditions, and other similar agreements for LexisNexis products, based on the established processes and will review any updates to terms, as needed, to assess if the City should consider terminating any such agreement.
2. The Information Technology Department will review all LexisNexis purchases for security, infrastructure, and privacy risks.

## **EVALUATION AND FOLLOW-UP**

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

## **COST SUMMARY/IMPLICATIONS**

The total cost of the agreement for the DIIO solutions during the one-year term is \$21,091. Additional purchases made for LexisNexis products will be funded by each individual department as required and subject to the appropriation of funds during the City's annual budgeting process.

### **BUDGET REFERENCE**

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

Fund #	Appn. #	Appropriation Name	Total Appropriation	Amount for Contract	2025-2026 Proposed Operating Budget Page*	Last Budget Action (Date, Ord. No.)
523	0802	Non-Personal/ Equipment	\$59,102,392	\$21,091	848	06/17/2025 Ord. No. 31230

*\*The 2025-2026 Adopted Operating Budget was approved on June 10, 2025 and adopted on June 17, 2025 by the City Council.*

### **COORDINATION**

This memorandum has been coordinated with the Airport, 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 September 9th, 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.

/s/  
Maria Öberg  
Director, Finance Department

For procurement and contract related questions, please contact Albie Udom, Deputy Director of Finance and Chief Procurement Officer, Finance Department, at [albie.udom@sanjoseca.gov](mailto:albie.udom@sanjoseca.gov). For program-related questions, please contact Mookie Patel, Director of Aviation, at [mookie.patel@sanjoseca.gov](mailto:mookie.patel@sanjoseca.gov).