


CITY COUNCIL ACTION REQUEST

Department(s): Finance	CEQA: Not a Project, File No. PP17-003, Agreements/Contracts	Coordination: City Attorney’s Office, City Manager’s Budget Office, and Parks, Recreation and Neighborhood Services	Dept. Approval: /s/ Rick Bruneau
Council District(s): Citywide	(New or Amended) resulting in no physical changes to the environment		CMO Approval:  4/4/23

SUBJECT: AMENDMENT TO THE AGREEMENT WITH CARACAL ENTERPRISES LLC (DBA VENTEK INTERNATIONAL) FOR PARKING PAYMENT SYSTEM, HOSTING, AND AUTOMATED PAYMENT PROCESSING SERVICES

RECOMMENDATION:

Adopt a resolution authorizing the City Manager to negotiate and execute the Third Amendment to the Agreement for purchase of parking payment system, hosting and automated payment processing services with Caracal Enterprises LLC, dba VenTek International (Petaluma, CA), to extend services for two additional two-year option terms through April 30, 2027 under the same material terms and conditions as the original agreement for a maximum compensation not to exceed \$364,000 for the option period beginning May 1, 2023 and ending April 30, 2025, subject to the appropriation of funds.

Desired Outcome: Authorizing the City Manager to take this action provides ongoing support and maintenance for the City of San José’s automated parking and enforcement.

BASIS FOR RECOMMENDATION:

In 2011, the City entered into an agreement under the City Manager’s delegation of authority with VenTek for parking payment machines and an automated parking payment system with an original term ending April 30, 2013 and two two-year options to extend the agreement through April 30, 2017. In October 2012, staff executed the First Amendment to the agreement to add sales tax. In September 2013,¹ City Council authorized staff to execute the Second Amendment to the Agreement to add additional payment machines and four additional two-year option terms for a total of five options to provide ongoing services through April 30, 2023.

The Department of Parks, Recreation and Neighborhood Services is currently working on developing and releasing a future procurement, but this activity will not be complete before the last option term expires on April 30, 2023. Delays in developing and submitting a new solicitation to the Finance Department are due to staff shortages and unfilled vacancies. The current equipment has not yet reached end of life so it is sufficient to continue to use pending completion of a new solicitation. Two additional two-year options will provide sufficient time to complete the procurement, execute the agreement, and complete implementation of a new system if required. In the event this work is completed early, the City may elect to not exercise the final option or terminate for convenience in accordance with the terms of the agreement with 60 days’ notice to the vendor.

Approval of this recommendation will ensure ongoing support and maintenance for the existing equipment and system while staff completes a new solicitation for these products and services.

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

¹ <https://records.sanjoseca.gov/Resolutions/RES76791.PDF>

COST AND FUNDING SOURCE:

Fund #	Appn #	Appn. Name	Total Appn	Amt. for Contract	2022-2023 Adopted Operating Budget Page	Last Budget Action (Date, Ord. No.)
001	0642	Non-Personal/Equipment	\$26,527,096	\$364,000	700	2/14/2023 30883

FOR QUESTIONS CONTACT: For program-related questions, please contact Avi Yotam, Deputy Director of Parks, Recreation and Neighborhood Services, at avi.yotam@sanjoseca.gov. For procurement- and contract-related questions, please contact Albie Udom, Deputy Director of Finance, Purchasing & Risk Management, at albie.udom@sanjoseca.gov.