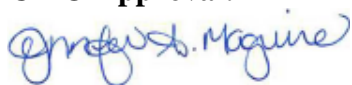


**CITY COUNCIL ACTION REQUEST**

<b>Department(s):</b> Airport	<b>CEQA:</b> Not a Project, File No. PP17-003, Agreements/ Contracts (New or Amended) resulting in no physical changes to the environment.	<b>Coordination:</b> City Attorney's Office and City Manager's Budget Office.	<b>Dept. Approval:</b> /s/ John Aitken, A.A.E.
<b>Council District(s):</b> Citywide			<b>CMO Approval:</b>  12/17/20

**SUBJECT: AMENDMENT TO THE SELF-SERVICE LUGGAGE CART AGREEMENT BETWEEN THE CITY OF SAN JOSE AND SMARTE CARTE, INC.**

**RECOMMENDATION:**

Approve a Second Amendment to the Airport Self-Service Luggage Cart Agreement between The City of San Jose and Smarte Carte, Inc., to extend the term for three years, from August 1, 2021 through July 31, 2024, subject to the appropriation of funds.

**BASIS FOR RECOMMENDATION:**

On August 1, 2014, the City entered into a seven-year agreement with Smarte Carte, Inc, after conducting a Request for Proposals to provide vended luggage carts for both domestic and international travelers.

These vended luggage carts are available throughout the airport and provide a valuable service to domestic and international passengers as well as provide an annual revenue of approximately \$40,000 to the City. The agreement includes a reimbursement provision for the City to pay Smarte Carte for luggage carts in the Federal Inspection Services building to allow international travelers use of a luggage cart at no cost. On September 19, 2017, Council approved an amendment to increase the reimbursement amount to Smarte Carte up to a maximum reimbursement of \$850,000 over the term of the agreement. As of October 2020, the City paid Smarte Carte just under \$443,000 from Airport funds for no cost luggage carts in the Federal Inspection Services building. The seven-year agreement expires on July 31, 2021, and staff is recommending an extension of three years to July 31, 2024, in order to continue providing luggage carts for the travelers at the Airport. Staff has researched and found that Smarte Carte is currently the only vendor who can procure, operate and maintain luggage carts.

**CLIMATE SMART SAN JOSE**

The recommendation in this memo has no effect on Climate Smart San Jose energy, water, or mobility goals.

**COMMISSION RECOMMENDATION/INPUT**

A verbal report on this item was provided at the Airport Commission on November 9, 2020.

**COST AND FUNDING SOURCE:**

Costs related to this extension, which cannot exceed \$850,000 over the three-year extended term, will not be encumbered until after the start of the new term that would begin in August 2021. The cost for the Smart Carte program is included in the Airport Department's Non-Personal/Equipment base budget. Upon adoption of the 2021-2022 Operating Budget, these funds will be available to encumber for the contract extension. This extension authorization is being brought forward now, because if the extension is not approved, staff will need time to conduct a Request for Proposals to ensure that there are no service gaps after the current agreement's expiration.

**FOR QUESTIONS CONTACT:** John Aitken, A.A.E., Director of Aviation, (408) 392-3610