



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Paul Joseph
Maria Öberg

SUBJECT: See Below

DATE: September 29, 2025

Approved

Date:

10/10/2025

COUNCIL DISTRICT: Citywide

**SUBJECT: Amendment to the Agreement with Axon Enterprises Inc. for
Evidence Management Solution Products and Services**

RECOMMENDATION

Adopt a resolution authorizing the City Manager, or her designee, to:

- (a) Negotiate and execute the Fourth Amendment to the Agreement with Axon Enterprises Inc. (Scottsdale, AZ) for an Evidence Management Solution Including Related Hardware and Accessories:
 - (1) For the purchase of Taser 10 Conducted Energy Weapons, including related accessories, training, and installation;
 - (2) To consolidate Axon products and services under a single agreement, leveraging the terms of the existing agreement, and increase the compensation amount by \$214,296 for a combined maximum compensation not to exceed \$7,197,291, including a \$528,530 provision for additional purchases, for the current five-year option term ending June 30, 2026; and
- (b) Execute one five-year option to extend the term of the agreement to June 30, 2031, and increase the compensation amount by \$9,290,651, for an estimated combined maximum compensation not to exceed \$17,324,644, including a \$528,530 provision for additional purchases, subject to the appropriation of funds.

SUMMARY AND OUTCOME

As the Police Department's (Department) current less-lethal use of force option, the Taser 7 Conducted Energy Weapon (CEW), will no longer be supported by Axon Enterprise, Inc. (Axon) after December 31, 2025, this memorandum authorizes the City

Manager, or her designee, to take actions to facilitate the upgrade from Taser 7 to Taser 10 CEW. This will help ensure the Department continues to have access to a reliable, fully supported less-lethal use of force option. Extending the term of the contract also allows the Department continued access to other Axon products it already uses, including Evidence.com (evidence management system), Fusus (software tool used in the Real Time Intelligence Center that consolidates camera feeds from across San José), Interview Room (audio video recording software in the Department's interview rooms), Communities (smartphone application allowing officers to send a link to community members to upload evidence), and Fleet 3 (audio and video recording system in transport vans, mandated by the State of California).

BACKGROUND

The City currently has two separate agreements with Axon (formerly Taser International, Inc.): 1) an agreement for body worn cameras and an evidence management system (Agreement for Body Worn Cameras), which includes the purchase and support of body worn cameras, an evidence management system, automated license plate readers, and related accessories; and 2) an agreement for tasers, which is further defined below.

Body worn cameras are issued to all sworn personnel as part of their standard uniform. They are also utilized for training purposes by the San José Police Academy. Body worn cameras record videos and images that are indexed and uploaded to Axon's cloud-based system for evidence storage under a software subscription license. To date, approximately 1,200 cameras have been deployed under the agreement. Taser 7 is the Department's less-lethal use of force option, which is being phased out by the manufacturer and replaced by Taser 10, a less lethal use of force option used by police to subdue uncooperative suspects, who might otherwise need to be subdued by more lethal means, such as firearms.

In 2016,¹ City Council approved the Agreement for Body Worn Cameras for the Department and Police Reserve Unit, which was awarded through a Request for Proposal process.

In 2018,² City Council approved the First Amendment to the Agreement for Body Worn Cameras to increase the compensation by \$379,013, for a maximum compensation of \$5,196,697, to purchase 143 additional body worn cameras and related services.

¹ <https://records.sanjoseca.gov/Resolutions/RES77766.PDF>

² <https://records.sanjoseca.gov/Resolutions/RES78639.pdf>

In 2021,³ City Council approved the Second Amendment to the Agreement for Body Worn Cameras to replace the five one-year options with one five-year option through June 30, 2026, to take advantage of cost savings offered by the vendor.

In 2023,⁴ City Council approved the Third Amendment to the Agreement for Body Worn Cameras to allow for the purchase and installation of 20 vehicle-mounted automated license plate readers at a cost of \$205,590, bringing the revised maximum compensation to \$6,957,763 for the current five-year option term ending June 30, 2026. The Department ultimately did not deploy or pay for the automated license plate readers, as the technology did not meet the Department's expectations. In addition, the Third Amendment added one additional five-year option, for a total of two five-year options, extending the agreement through June 30, 2031. Finally, the amendment updated the agreement name to the "Agreement for an Evidence Management Solution Including Related Hardware and Accessories."

In 2020,⁵ City Council authorized the City Manager, or their designee, to execute purchase orders with Axon for the purchase of Taser 7 Evidence.com access software subscription licenses and Taser 7 CEWs, including related accessories, training, and installation as required (Agreement for Tasers). The Agreement for Tasers is set to expire on December 2, 2025. Meanwhile, Axon has advised the City that it will no longer support Taser 7 after December 31, 2025, because it is transitioning to Taser 10.

Staff recommends to: 1) combine these two agreements into one; 2) increase the compensation for the term ending June 30, 2026 for a new total amount of \$7,197,291; and 3) increase the compensation for the new term from July 1, 2026 through June 30, 2031 for a total amount of \$17,324,644, subject to the appropriation of funds. This increase will cover the cost associated with procuring and deploying Taser 10 CEWs, along with incorporating Fusus and Interview Room software tools, which were purchased using the provision amount in the Evidence Management Solution Agreement. Combining the agreements is desirable because it saves the City approximately \$6.6 million over five years compared to the quote provided by the vendor if the City were to purchase the items separately.

ANALYSIS

As noted above, the City currently has two agreements with Axon for the provision of law enforcement technology solutions, including body worn cameras, an evidence management system, Fleet 3, and Taser CEWs. These agreements have supported critical police operations, including digital evidence capture, secure storage, and field technology for officers.

³ <https://records.sanjoseca.gov/Resolutions/RES80003.pdf>

⁴ <https://records.sanjoseca.gov/Resolutions/RES2023-235.pdf>

⁵ <https://records.sanjoseca.gov/Resolutions/RES79805.pdf>

The proposed action consolidates the current agreements into a single master agreement with Axon. The bundled agreement will cover a comprehensive suite of Axon products and services as listed below.

- Taser 10 Program – Includes hardware, software, training, maintenance, support, and warranties for Taser 10 devices and accessories. The Taser 10 is the most advanced and effective CEW currently available, offering significant improvements in officer and public safety compared to the discontinued Taser 7, which the Department currently deploys. CEWs are known as a less-than-lethal force option for actively resisting and combative suspects that may help obviate the need for the use of deadly force by law enforcement.
- Body-Worn Cameras (Axon Body 4) – Includes approximately 1,300 body-worn cameras with associated docking stations, accessories, warranties, and refresh cycles over the five-year agreement.
- Fleet Vehicle Camera Systems (Axon Fleet 3) – Includes an in-car video recording system, which is state mandated, for transport vans with installation, warranties, and integration into the evidence management system.
- Axon Fusus Real-Time Crime Center Platform – Includes licenses for users and closed-circuit television camera connections to integrate real-time video streams into police operations.
- Evidence.com and Digital Evidence Tools – Includes a cloud-based evidence management system, community evidence submission, Redaction Assistance, Auto-Tagging, and Performance/Compliance management tools.
- Interview Room System – Includes maintenance and storage for existing digital interview room recording systems, including touch panels, servers, and secure unlimited cloud storage.
- Training and Professional Services – Includes professional services for implementation, taser instructor training, and virtual reality training systems.
- Extended Warranties and Technology Refresh Programs – Includes coverage for tasers, cameras, docking stations, video recording equipment, and fleet systems to ensure devices remain current and functional throughout the five-year term.

Consolidating the agreements presents the City with some benefits, but also creates some potential risks and challenges to the operation of the Department, as further outlined below.

Benefits of Combining the Agreements:

- **Cost savings:** Bundling the Taser 10, Fusus, Fleet 3, Interview Room, and Community Request into the Body Worn Camera contract saves the City \$6.6 million over five years, compared to the price of purchasing them individually, as quoted by the vendor. This benefit needs to be weighed against the cost increases that will occur in the subsequent years, as noted below.
- **Administrative efficiency:** Managing a single agreement reduces internal administrative effort related to procurement, invoicing, reporting, and renewal tracking.
- **Streamlined contract management:** A single agreement improves oversight, compliance tracking, and vendor accountability by centralizing contract performance under one agreement.
- **Seamless integration:** The Taser 10 and Axon products seamlessly integrate with Axon's Evidence.com and the Department's existing body-worn camera system. This ecosystem streamlines digital evidence management, reduces administrative work, ensures secure uploads with audit trails, and protects the chain of custody. Consolidating hardware, software, and evidence storage with one vendor avoids additional licensing fees, reduces training costs, and lowers long-term operational expenses.

Concerns and Risks:

- **Potential for future cost increases:** Over the extended five-year term of the agreement through June 2031, the total cost goes up by about \$9.3 million, for an estimated total of \$17.4 million. Most of this increase comes from rolling items from separate contracts into one, including \$6.5 million for adding the new Taser 10 program, \$1.7 million for adding Fusus, and \$172,000 for Axon Interview Rooms. The biggest change is the switch from Taser 7 to Taser 10, which adds about \$386,000 a year, or \$1.9 million over the contract. After 2031, costs could rise even more since Axon controls the market and its technology, giving it leverage to raise prices.
- **Reduced negotiating leverage:** With all services under one agreement controlled by one vendor, the City could potentially lose any leverage when it comes to negotiating or renegotiating terms, especially as it will have fewer options to seek alternative vendors for the services.
- **Procurement best practices:** Creating such a large, bundled contract without competitive solicitation does not align with best practices for ensuring market competition and price fairness. With all services under one agreement controlled

by one vendor, the City could theoretically lose leverage when it comes to negotiating or renegotiating terms if there were viable competitors providing equal products. However, Axon is the exclusive manufacturer and sole distributor of the Taser 10. No other CEW offers the required integration, training systems, liability protections, or compatibility with the Department's operational standards. Switching vendors would require costly retraining, new infrastructure, and would expose the City to legal and operational risks.

The Department carefully considered the risks of bundling and has determined that given the potential savings of \$6.6 million and the lack of comparable vendors in the market, the benefits outweigh those risks. However, while bundling provides near-term benefits, ongoing monitoring of pricing, performance, and market alternatives will be essential to protect the City's long-term interests. The agreement allows the right to terminate the agreement, without cause, with a 30 day written notice of termination.

EVALUATION AND FOLLOW-UP

This memorandum will not require follow-up from staff.

COST SUMMARY/IMPLICATIONS

1. TOTAL COST OF CONTRACT THROUGH JUNE 30, 2026

Contract Amount	\$6,982,995
Recommended Amendment (as included in the memorandum)	\$214,296
TOTAL CONTRACT AMOUNT	\$7,197,291

For the recommended amended contract for the term ending June 30, 2026, the total amended compensation amount is \$7,197,291, of which \$1,530,994 is attributable to 2025-2026. The City has already paid \$1,387,877, and the remaining amount of \$143,117 will be paid with previously budgeted funds in the Police Department's Non-Personal/Equipment appropriation.

2. TOTAL COST OF CONTRACT FROM JULY 1, 2026 THROUGH JUNE 30, 2031

Fiscal Year	Annual Payment
2026-2027	\$3,012,053
2027-2028	\$3,127,714
2028-2029	\$3,473,376
2029-2030	\$3,564,654
2030-2031	\$3,618,317
Additional Purchases	\$528,530
TOTAL CONTRACT AMOUNT	\$17,324,644

The new five-year term will begin on July 1, 2026 for a total cost not to exceed \$17,324,644, subject to the appropriation of funds during the annual budget process. As discussed above, the increase is due to the bundling of products into one contract to achieve estimated cost savings of \$6.5 million over the extended five-year term. The amount of \$528,500 provides additional capacity to purchase additional supplies (e.g., extra cables, cameras, or tasers) if funding allows, such as the availability of grant funding.

The Department's ongoing General Fund budget for the services provided in this contract for FY 2026-2027 is approximately \$2.3 million. As described in the City Council memorandum approved on September 16, 2025 regarding the Supplemental Law Enforcement Services (SLES) 2023-2025 grant spending plan, up to \$1.1 million of SLES funding is designated for taser subscription costs, which will be sufficient to close the funding gap for the contract amount in FY 2026-2027 of \$3.0 million. The Administration will continue to evaluate the resource allocation between the General Fund and grants funds, and recommend adjustments as necessary, as part of future budget development processes.

BUDGET REFERENCE

The table below identifies the fund and appropriations to fund the contract recommended as part of this memorandum and remaining project costs, including project delivery, construction, and contingency costs.

Fund #	Appn. #	Appropriation Name	Total Appropriation	Amount for Contract*	2025-2026 Proposed Budget Page**	Last Budget Action (Date, Ord. No.)
001	0502	Police Department Non-Personal/Equipment	\$25,993,599	\$143,117	684	6/17/2025 31230

* The total amount of the contract in 2025-2026 is \$1,530,994, of which \$1,387,877 was previously paid.

** The 2025-2026 Adopted 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 City Attorney's Office and the City Manager's Budget Office.

HONORABLE MAYOR AND CITY COUNCIL

September 29, 2025

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PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the October 21, 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/
PAUL JOSEPH
Chief of Police

/s/
MARIA ÖBERG
Director, Finance Department

For program-related questions, please contact Judith Torrico, Deputy Director, Police Department, at judith.torrico@sanjoseca.gov. For questions regarding the procurement and contract, please contact Albie Udom, Deputy Director, Finance Department, Purchasing and Risk Management, at albie.udom@sanjoseca.gov.