



COUNCIL AGENDA: 3/20/2007
ITEM: 2.4

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: William F. Sherry, A.A.E.

SUBJECT: SEE BELOW

DATE: February 28, 2007

Approved *Deanne Antua*

Date *3/5/07*

COUNCIL DISTRICT: Citywide

**SUBJECT: THIRD AMENDMENT TO THE SMALL CONCESSION AGREEMENT
WITH AMERICAN AIRLINES EMPLOYEES FEDERAL CREDIT
UNION**

RECOMMENDATION

Approval of a Third Amendment to the Small Concession Agreement between the City of San José and American Airlines Employees Federal Credit Union for the installation, operation and maintenance of Automated Teller Machines in Terminals A and C at the Norman Y. Mineta San José International Airport to extend the term from March 31, 2007 to December 31, 2007, with annual revenue to the City of approximately \$15,600, subject to earlier termination as provided in the Agreement.

OUTCOME

Should Council approve the Amendment, American Airlines Employees Federal Credit Union would continue to provide Automated Teller Machines (ATM's) at the Airport until December 31, 2007 or upon earlier termination subject to a 30 day written notice.

BACKGROUND

American Airlines Employees Federal Credit Union has provided ATM services at the Airport pursuant to a Small Concession Agreement with the City of San José dated March 30, 2000. The current Agreement will expire on March 31, 2007. The Agreement provides for ATM service in Terminal A and Terminal C. American Airlines Employees Federal Credit Union pays concession fees to the City of \$15,600 as a part of this Agreement.

ANALYSIS

Staff intends to issue a Request for Proposal (RFP) for ATM Services and plans to recommend award of new ATM agreements to Council some time before December 2007. In order to accommodate this process, staff has negotiated with the current ATM providers, including American Airlines Employees Federal Credit Union, an extension of their agreements to

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continue services until such time as a new provider is chosen. All other terms and conditions will remain the same.

PUBLIC OUTREACH/INTEREST

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This item does not appear to qualify as an item of significant interest based on the established criteria. This memo is posted on the City's website for the March 20, 2007 Council Agenda.

COORDINATION

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

BUDGET REFERENCE

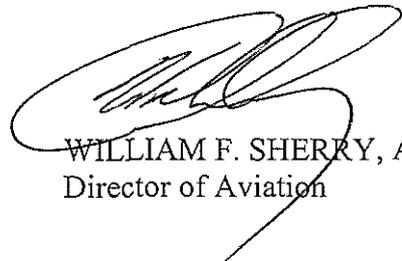
The approval of the proposed Amendment would provide revenue to the City, and thus be consistent with Council-approved Budget Strategy – Guiding Principals for Budget and Financial Management.

COST IMPLICATIONS

Not applicable

CEQA

CEQA: Resolution Nos. 67380 and 71451, PP 07-002.


WILLIAM F. SHERRY, A.A.E.
Director of Aviation

Please direct questions to William Sherry, Director of Aviation, at (408) 501-7669.