



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

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

SUBJECT: SEE BELOW

DATE: March 21, 2007

Approved

Deanne Aulna

Date

3/23/07

COUNCIL DISTRICT: Citywide

**SUBJECT: AMENDMENTS TO SMALL CONCESSION AGREEMENTS WITH
BANK OF THE WEST**

RECOMMENDATION

- a) Approval of a First Amendment and Continuation Agreement to the Small Concession Agreement between the City of San José and Bank of the West 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 continue and extend the term from February 1, 2007 to December 31, 2007, with annual revenue to the City of approximately \$23,400, subject to earlier termination as provided in the Agreement.
- b) Approval of a First Amendment and Continuation Agreement to the Small Concession Agreement between the City of San José and Bank of the West for the installation, operation and maintenance of Automated Teller Machines in the Federal Inspection Services Building at the Norman Y. Mineta San José International Airport to continue and extend the term from February 1, 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 Amendments, Bank of the West 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

Bank of the West provides ATM services in Terminal A, Terminal C and the Federal Inspection Services building. Bank of the West pays concession fees to the City of \$39,000 as a part of these Agreements. The agreements expired on January 31, 2007. Staff was aware of the pending expiration but due to a short term shortage of staff they were not able to complete the

amendment in time for expiration. The Airport has instituted new controls including utilization of reminder functions in their property management program. Staff is also filling vacant Property Manager positions to further insure that agreements are renewed prior to expiration.

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 Bank of the West, an extension of their agreements to 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

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CEQA

CEQA: Resolution Nos. 67380 and 71451, PP 07-004.

Frank Kirkbride
for WILLIAM F. SHERRY, A.A.E.
Director of Aviation

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