



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Scott P. Johnson

SUBJECT: SEE BELOW

DATE: February 11, 2008

Approved

Date

2/15/08

COUNCIL DISTRICT: Citywide

**SUBJECT: REPORT ON RFP FOR PUBLIC ADDRESS SYSTEM FOR THE
NORMAN Y. MINETA SAN JOSE INTERNATIONAL AIRPORT**

RECOMMENDATION

Report on Request for Proposal (RFP) for a Public Address System at the Norman Y. Mineta San José International Airport and adoption of a resolution authorizing the Director of Finance to:

1. Execute an agreement with Signatures Technology Inc., DBA Com-Net Software (Miamisburg, OH) for the purchase and installation of a Public Address System for the Norman Y. Mineta San José International Airport, in an amount not to exceed \$1,652,805 including all hardware, software, sales tax and the first year of support and professional services.
2. Exercise four one-year options for ongoing maintenance subject to the appropriation of funds.
3. Execute change orders in an amount not to exceed \$330,560 as contingency to cover unanticipated changes in the system design and/or installation.

OUTCOME

To provide a state-of-the-art Public Address System for all terminals at the Norman Y. Mineta San José International Airport meeting all Transportation Security Administration (TSA) requirements and Airport specifications.

EXECUTIVE SUMMARY

This memorandum outlines the requirement for a Public Address system for the Norman Y. Mineta San José International Airport modernization project and reports on the RFP evaluation and supplier selection process to provide, install, and support the system.

BACKGROUND

As part of the Airport's Master Plan, the Airport is implementing a Terminal Area Improvement Program, which includes a new, state-of-the-art Terminal B and renovations to Terminal A. The Terminal B project will be built in two phases. The first phase includes the construction of a new North Concourse and the first half of the Terminal B building as well as projects that accelerate customer service upgrades. Key components include the remodel of Terminal A, the removal of Terminal C, roadway improvements, and new parking and rental car facilities. Phase 2 projects will be on a demand-driven basis, and includes the second half of the Terminal B building with the addition of a South Concourse.

ANALYSIS

Finance/Purchasing released a Request for Proposal (RFP) for a Public Address System through the City's e-procurement system and directly notified four companies on September 11, 2007. Through the e-procurement system, over 400 companies were notified, 47 companies viewed the requirement and three companies submitted proposals by the October 9, 2007 due date:

- Direct A/V, Hawthorne, CA
- Pro Media, Hercules, CA
- Signature Technology Inc., DBA Com-Net Software, Miamisburg, OH

Minimum Qualifications: The initial proposal review consisted of a pass/fail assessment to ensure that all minimum qualifications were met and that all proposals were complete.

The proposal submitted by Direct A/V was determined to be non-responsive because Direct A/V's proposal did not include three reference sites with the required number of paging zones and integration requirements. Direct A/V was notified in writing detailing the reasons for Direct A/V's proposal not passing minimum qualifications and provided the opportunity to protest the decision to the City's Chief Purchasing Officer. No protests were received.

Evaluation Team: A three-member evaluation panel was named with representatives from the Fire Department, Airport Operations and the Informational Technology Department. A representative from purchasing facilitated all team meetings.

Evaluation Process: The proposal evaluation was a two phase process. Phase one was scored on a 100 point scale and consisted of a technical review of the written proposal followed by an oral interview. Proposers earning the highest scores were invited to advance to Phase 2. Phase 2 was also evaluated on a 100 point scale and consisted of a site visit to one of the reference sites to observe the solution in a live environment, and ask the reference contact detailed questions about the proposers' performance on the job and cost. The final recommendation was based exclusively on the Phase 2 scores.

Phase 1, Technical Evaluation: Phase 1 of the evaluation consisted of a thorough review of each company's written proposal for technical capability, product functionality and demonstrated experience implementing systems similar in size and complexity to the City's requirements. The written evaluation was followed by oral presentations/interviews. Technical scores were initially determined after the written proposals were evaluated and finalized after oral presentations.

The scoring and ranking at the conclusion of Phase 1 technical proposal review and oral interviews/presentations of the evaluation process is summarized in the table below:

Rank	Company Name	Experience	Technical	Local Business Preference	Small Business Preference	Total Score
	Maximum points/weight >>>	15	75	5	5	100
1	Signature Technology Inc., DBA Com-Net Software	10.4	70.5	N/A	N/A	80.9
2	Pro Media	4.9	31.3	N/A	N/A	36.1

The evaluation team concluded that the proposal/presentation submitted by Pro Media did not earn a score that was sufficient to be considered for further evaluation. Pro Media was notified of the City's decision on November 8, 2007. This left Com-Net as the only viable proposer.

Phase 2-Reference Site Visit: Members of the evaluation team visited the Bakersfield Airport, one of Com-Net's reference sites. Bakersfield Public Address System implementation was similar to the anticipated installation at the Norman Y. Mineta San José International Airport. The Bakersfield installation was for 26 paging zones in one terminal versus 27 anticipated paging zones in each of the three terminals at San José's Airport and all of the same components were present, including the integration with the Multi-user Flight Information Display System. The evaluation team interviewed key contacts at Bakersfield with the objective of gaining insight on overall customer satisfaction, the project team, problem resolution, ongoing service and support, and overall system performance and quality. The site visit was very positive and validated Com-Net's proposal.

Cost Proposal: A cost proposal was requested for all hardware, software, installation, professional services, training, maintenance, and support.

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Best and Final Offer Process (BAFO): The City determined that a BAFO was required because Com-Net's cost proposal was not inclusive of all Airport terminal areas because an incomplete drawing set was inadvertently provided. The BAFO included a complete set of drawings and a request for revised pricing to reflect all terminal areas.

Local and Small Business Preference: In accordance with City policy, ten percent of the total possible evaluation points were reserved for local and small business preference. None of the proposers requested consideration for local and small business preference. Therefore, the preference was not a factor in this evaluation.

Protest Period: The City's RFP process provides the opportunity for unsuccessful proposers to protest the City's award recommendation. The Chief Purchasing Officer (CPO) received a protest from IED, one of Pro Media's subcontractors. IED asserted that the company had not been treated fairly during the oral interview phase and further claimed that the recommended vendor would be unable to meet project specifications. After a thorough review, the CPO determined that IED was afforded the same opportunity as other vendors participating in the oral interview process and that Com-Net's solution met or exceeded the functional requirements for this project.

Recommendation: Based on the evaluation process, staff has determined that Com-Net submitted the most advantageous proposal meeting the requirements of the RFP at a cost of \$1,616,938. The company's successful on schedule and within budget installation of their product at the Bakersfield Airport supports staff's recommendation.

Summary of Agreement and Implementation Plan: At the time of the writing of this memo, a fixed price agreement is being negotiated with Com-Net that will include a complete statement of work defining all deliverables and associated acceptance criteria, a milestone schedule, and a compensation schedule with payments contingent on the successful completion and City's acceptance of key milestones. In addition, there will be a final payment to be paid no sooner than 30 days after system go-live, contingent upon the City's final acceptance of the system.

This Public Address System will interface with the fire alarm system by taking a feed from the enunciation panel provided by the fire Alarm System provider under the North Concourse Public Works Project. This system will allow for intelligible messages, which are messages that can be understood by the public in the event of an emergency, in public areas of the terminal buildings. The project will also include integration with the existing paging systems to be accomplished by standard telephone interfaces already existing in those systems. Additional features include scheduled messages, live pages, courtesy announcements, emergency messaging, and background music. Additionally, the system provides for unlimited message types, zones, language capabilities, user defined message sequence, data triggered announcements, and advanced text to speech technology for the generation of dynamic messaging.

American with Disabilities (ADA) Compliance: The integrated system will provide functionality that takes passenger communication systems to a new level. Flight events, such as

arrivals, cancellation and status change trigger synchronous audio and textual messages to appropriate zones of speakers and display monitors.

EVALUATION AND FOLLOW-UP

Airport staff is currently evaluating the need for this solution to be expanded into terminal A+. If it is determined that such a requirement exists, then an amendment will be negotiated with Com-Net and presented to Council in approximately eight months, based on the current construction schedule.

POLICY ALTERNATIVES

Not Applicable.

PUBLIC OUTREACH/INTEREST

- ✓ **Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 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)**
- Criterion 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 meets Criterion 1 and will be posted on the Council Agenda for March 4, 2008. In addition, the requirement was advertised on the City's Bidline and over 400 companies were notified of the requirement.

COORDINATION

This memorandum was coordinated with the Department of Aviation, the City's Manager's Budget Office, and the City Attorney's Office.

FISCAL/POLICY ALIGNMENT

This Council item is consistent with Council approved Budget Strategy Memo General Principle #2, "We must focus on protecting our vital core City services."

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT:

Project Delivery	\$1,652,805
Contingency	\$330,560
Total Project Cost	\$1,983,365

2. COST ELEMENTS OF AGREEMENT/CONTRACT:

Description	Cost
Hardware	\$455,933
Software	\$232,009
Project and Installation Management	\$207,600
Field Installation	\$97,850
Software Configuration and Testing	\$75,210
Software Development	349,400
Training, manuals, supplies, travel expenses	\$277,884
Shipping	\$12,912
City of San Jose Discount	(\$91,860)
Estimated Sales Tax	\$35,867
Contingency	\$330,560
Total Project Cost (including Contingency)	\$1,983,365

3. SOURCE OF FUNDING: 526 – Airport Revenue Bond Improvement Fund

4. OPERATING COSTS: Review of the project determined no significant adverse impact on the General Fund Operating Budget.

The cost evaluation was based on a five year total cost of ownership that includes all required maintenance and support of the system. The cost for the first year of maintenance and support is included in the overall installation cost and is effective after final acceptance by the City. This amount is included in the not-to-exceed amount that is requested in the recommendation. Maintenance and support for years two through five are \$77,530 per year.

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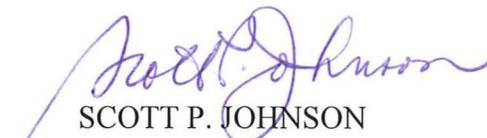
BUDGET REFERENCE

The table below identifies the fund and appropriations proposed to fund the contract recommended as part of this memorandum.

Fund #	Appn #	Appn. Name	Total Appn.	Amount for Contract	2007-08 Adopted Budget Page	Last Budget Action (Date, Ord. No.)
526 (548)	4657	North Concourse Building	\$25,939,000	\$840,322	V-995	10/16/07 28143
526 (554)	5253	Terminal Area Improvement, Phase I	\$445,839,000	\$812,483	V-997	10/16/07 28143
		Total	\$471,778,000	\$1,652,805		

CEQA

Resolutions No. 67380 and 71451, PP 06-004.


SCOTT P. JOHNSON
Director, Finance

For questions please contact Walter C. Rossmann, Chief Purchasing Officer, at (408) 535-7051.