COUNCIL AGENDA: 3/11/08
ITEM: 6.3

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: Scott P. Johnson

SUBJECT: **REPORT ON RFP FOR A CLOSED CIRCUIT TELEVISION SYSTEM FOR THE AIRPORT**

DATE: February 11, 2008

Approved Christine F. Shippey Date 2-19-08

COUNCIL DISTRICT: Citywide

RECOMMENDATION

Report on Request for Proposal (RFP) for a Closed Circuit Television system for the Norman Y. Mineta International Airport and adoption of a resolution authorizing the Director of Finance to:

1. Execute an agreement with 180 Connect (Boise, ID) for the purchase and installation of a Closed Circuit Television System for the Norman Y Mineta San José International Airport, in an amount not to exceed $1,708,368 including all hardware, software, sales tax, and the first year of maintenance and 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 $342,000.00 as contingency to cover unanticipated changes in the system design and/or installation.

OUTCOME

To provide a state-of-the-art Closed Circuit Television System for the Airport that meets all Transportation Security Administration (TSA) requirements and Airport specifications.

EXECUTIVE SUMMARY

This memorandum outlines the requirement for a CCTV system for the Airport's 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 include 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 include 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 Internet Protocol Television System through the City's e-procurement system, and directly notified all companies that had expressed an interest in the requirement. In total, over 200 companies were notified of the requirement, 28 companies downloaded the RFP document, eleven companies attended the non-mandatory pre-proposal conference, and four companies submitted proposals by the July 2, 2007 due date:

- 180 Connect Network Services, Boise, ID
- ADT Security Services, Alexandria, VA
- Au Electric Corporation dba AEC Alarms, San Jose, CA
- Quatrotec, Millbrae, CA

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 AEC Alarms was determined to be non-responsive because their proposal did not include three references meeting the minimum qualification of integrating with an Access Control System. AEC protested the City's decision to the Chief Purchasing Officer and ultimately AEC was unable to demonstrate that they had made a clerical error. Therefore, the Chief Purchasing Officer upheld Staff's recommendation.

Evaluation Team: A three-member evaluation panel was named with representatives from Airport's Operations. A representative from purchasing facilitated all team meetings.

Evaluation Process: The proposal evaluation and selection was a two-phase process. Phase one was scored on a 100-point scale and consisted of a technical review of the written proposals, followed by oral interviews. 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.

The scoring and ranking at the conclusion of the Phase 1 technical proposal review and oral interviews/presentations are 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	ADT Security Services	12.9	65.0	0.0	0.0	**77.9**
2	180 Connect Network Services	9.7	49.8	5.0	N/A	**64.5**
3	Quatrotec, Millbrae	9.5	42.0	0.0	0.0	**51.5**

The evaluation team concluded that the proposal/ presentation submitted by Quatrotec did not earn a score that was sufficient to advance to the Phase 2 process. Quatrotec was notified of the City's decision on October 10, 2007.

Phase 2 - Reference Site Visit/Cost Proposal: Members of the evaluation team visited the Ronald Reagan Washington National Airport and the Boise International Airport references submitted by ADT and 180 Connect, respectively. The evaluation team interviewed key contacts at each Airport to demonstrate their respective systems, and provide insight on each company's ability to deliver on schedule and within budget, system performance, and responsiveness to change orders, quality of personnel, and maintenance and support.

Both reference site visits were very informative. However, the ADT solution that is in operation at the Ronald Reagan Airport, a reference site submitted by ADT, was significantly different than what was represented in their written proposal and did not conform to the functional specifications of the RFP. 180 Connect's solution was almost identical to what was proposed for San Jose.

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

Local and Small Business Preference (LBE/SBE): Ten percent of the total evaluation points were reserved in both Phase 1 and Phase 2 for local and small business preferences in accordance with City policy. 180 Connect, with an office located in Santa Clara, requested and earned five points for LBE.

Phase 2 scores are demonstrated in the following table:

Rank	Company	Product Demo/Site Reference	Cost	Local Business Preference	Small Business Preference	Total
Maximum points/weight		**50**	**40**	**5**	**5**	**100**
1	180 Connect Network Services	44.0	40.0	5.0	0.0	89.0
2	ADT Security Services	21.0	29.0	0.0	0.0	50.0

Protest Period: The City's RFP process provides the opportunity for unsuccessful proposers to protest the City's award recommendation. No protests were received.

Recommendation: Based on the evaluation of the committee, 180 Connect proposed the most advantageous solution meeting the requirements of the RFP and the company successfully installed their product on schedule and within budget at the Boise International Airport.

Summary of Agreement and Implementation Plan: At the time of writing this memo, a fixed price agreement is being negotiated with 180 Connect that will include a complete statement of work defining all deliverables and associated acceptance criteria, a milestone schedule with key completion dates, and a compensation schedule with payments contingent on the completion and City's acceptance of key milestones. In addition, there will be a final payment no sooner than 30 days after the system goes live, contingent upon the City's acceptance that the system meets all performance criteria as defined in the agreement.

The contract will provide for the installation and implementation of a new Closed Circuit Television System (CCTV) in terminal areas for recording of digital video and viewing and control of new fixed and pan/tilt/zoom (PTZ) cameras. The system will be scalable to eventually support all CCTV requirements for the Airport campus. The scope of work includes the installation of video encoders, video decoders, redundant array of independent disk storage arrays (RAID 5), computer workstations, computer servers, fixed cameras, PTZ cameras, camera enclosures, vari-focal lenses, uninterruptible power supplies (UPSs), and low voltage power supplies. The system will transmit video for viewing and control at the existing Airport Command Center and storage onto the RAID 5 storage arrays via a virtual local area network being provided by the Airport's existing network infrastructure. The project will also include integration with the existing CCTV systems to allow control and viewing of existing camera feeds using the new workstations. Line item pricing is included in the contract to allow for future installations under other projects.

EVALUATION AND FOLLOW-UP

Airport staff is currently evaluating the need for this solution to be expanded into Terminal A+. Terminal A+ is the terminal extension of Terminal A currently utilized by American Airlines. If it is determined that such a requirement exists, then an amendment with 180 may be presented to Council in approximately eight months, based on the current construction schedule.

POLICY ALTERNATIVES

The Federal Aviation Administration and Airport security policies require the installation of a CCTV system at the Airport.

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 memorandum meets Criteria 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 200 companies were notified of the requirement.

COORDINATION

This memorandum was coordinated with the Department of Aviation, the City 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 (including 1st year support)	$1,708,368
Contingency (if applicable)	$342,000
Total Project Cost	$2,050,368

2. COST ELEMENTS OF AGREEMENT/CONTRACT:

Description	**Cost**
Hardware	$756,612
Software	$92,000
Professional Services	$359,251
Training/Travel/Warranty/Shipping	$304,955
Maintenance and Support (1st year)	$122,500
Estimated Sales Tax	$73,050
Total	**$1,708,368**
Contingency	$342,000
Total Project Cost (including Contingency)	**$2,050,368**

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 $122,500 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 as follows:

Contract Year	**Maintenance and Support Cost**
Year 2	$67,500
Year 3	$70,875
Year 4	$74,418
Year 5	$78,139

BUDGET REFERENCE

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

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	$868,572	V-995	10/16/07 28143
526 (554)	5253	Terminal Area Improvement, Phase I	$445,839,000	$839,796	V-997	10/16/07 28143
		Total	**$471,778,000**	**$1,708,368**		

CEQA

Resolutions No. 67380 and 71451, PP 06-004

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Director, Finance

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