

RESOLUTION NO. 73854

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE FINDING THAT THE SOLICITATION OF BIDS FOR THE CITY HALL AUDIO-VISUAL SYSTEM EXPANSION PROJECT WOULD BE AN IDLE ACT, AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE A DESIGN-BUILD CONTRACT FOR THE PROJECT WITH CEITRONICS, INC., AND FINDING THAT THE PROJECT REQUIRES USING BRAND NAME CONTROL EQUIPMENT MANUFACTURED BY CRESTRON ELECTRONICS, INC.

WHEREAS, the City of San José (“City”) desires to award a construction contract to expand the existing City Hall Audio-Visual system to include audio-visual equipment for five more conference rooms and three additional digital signage stations in the City Hall Rotunda (“Expansion Project”); and

WHEREAS, the City Council has reviewed and considered the memorandum, dated May 29, 2007, submitted by the Director of Public Works and the Director of General Services regarding the proposed Expansion Project.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

Section 1. The City Council makes the following findings of fact:

- a. The Audio-Visual system currently in place in City Hall was constructed by Ceitronics, Inc. as part of the new City Hall project.
- b. The City awarded Ceitronics the contract for construction of the existing Audio-Visual system following a competitive, public bidding process in which Ceitronics was the low bidder.

- c. The existing Audio-Visual system constructed by Ceitronics consists of a single, integrated system that includes audiovisual, environmental, and meeting management components and functions.
- d. The existing Audio-Visual system components are integrated by a central control system consisting of custom software written by Ceitronics and certain hardware manufactured by Crestron Electronics, Inc..
- e. Ceitronics specifically wrote the custom software, which uses SimplWindows and X-Panel programming languages and involved writing over 350,000 lines of unique computer code, to interface with central control system hardware manufactured by Crestron Electronics, Inc..
- f. The Expansion Project involves expanding the existing Audio-Visual system to add three additional digital signage stations in the City Hall Rotunda and to retrofit five conference rooms with teleconferencing capabilities, digital projectors, screens, TV tuners, VCR's, DVD players, wall and tabletop control panels, and electronic whiteboards.
- g. Maintaining the Audio-Visual system as an integrated system has a number of significant benefits, including the ability to remotely control and maintain the system, as well as remotely diagnose and correct problems.
- h. Expansion of the existing Audio-Visual system requires modifying the software written by Ceitronics to recognize the new hardware components.
- i. Proper modification of the software is critical because any errors in modifying the software could cause any or all of the processes to malfunction and potentially impact other completely unrelated functions.

- j. Having written the software, Ceitronics has an intimate and unique knowledge of the software that no other entity has, and attempts to modify the software without such knowledge would result in a serious risk of compromising essential functions and potentially invalidating the equipment maintenance agreement with Ceitronics.

Section 2. Based upon the above factual findings, the City Council makes the following determinations:

- a. It is desirable to maintain an integrated Audio-Visual system because of the many benefits provided by such a system.
- b. The solicitation of bids for construction of the Expansion Project would be an idle act within the meaning of San José Charter Section 1217 and San José Municipal Code Section 14.04.170, as the solicitation of bids to construct the Expansion Project cannot reasonably be expected to result in receipt of a bid from a contractor other than Ceitronics that could efficiently, reasonably and effectively accomplish the Expansion Project successfully.
- c. Consistent with the San Jose Municipal Code and State law, the use of central control system equipment manufactured by Crestron Electronics is needed to match the central control system equipment already in use in order to maintain the integrated nature of the system.

Section 3. Based upon the above determinations, the City Council concludes as follows:

- a. The City may award a construction contract to Ceitronics for the Expansion Project without competitive, public bidding.

- b. It is appropriate for the Expansion Project to include a specification for using central control system equipment manufactured by Crestron Electronics.

Section 4. Based upon the above facts, determinations and conclusions, the City Council hereby authorizes the City Manager to negotiate and execute an agreement with Ceitronics for the design and construction of the Expansion Project in an amount not to exceed \$300,000, and a contingency of \$30,000, subject to the following:

- a. The contract can specify the use of central control system equipment manufactured by Crestron Electronics, provided that the such equipment is purchased through a competitive process, which may include Ceitronics submitting a bid for providing such equipment.
- c. The non-central control system hardware can not be limited to a particular manufacturer and must be purchased through a competitive process.

ADOPTED this 19th day of June, 2007, by the following vote:

AYES:	CAMPOS, CHIRCO, CHU, CONSTANT, CORTESE, LICCARDO, NGUYEN, OLIVERIO, PYLE, WILLIAMS; REED
NOES:	NONE
ABSENT:	NONE
DISQUALIFIED:	NONE

CHUCK REED
Mayor

ATTEST:

LEE PRICE, MMC
City Clerk

