



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Katy Allen
Tom Manheim

SUBJECT: NEW CITY HALL
AUDIO VISUAL SYSTEMS

DATE: 06-18-04

Approved

Date

6-24-04

Council District: Citywide

RECOMMENDATION

- A. Report on bids and recommend award of contract for the San Jose Civic Center Audio Visual (A/V) Systems Project to the low bidder, Ceitronics, Inc. in the amount of \$3,946,392;
- B. Adoption of a resolution authorizing the City Manager to negotiate and execute deductive and additive change orders to the Contract so long as the total contract amount does not exceed \$3,946,392; and
- C. Direct staff to downgrade the audiovisual technology in conference rooms and reduce the number of video cubes at the unit price established in the bid for a total reduction up to \$360,774.

CEQA: Civic Plaza Redevelopment Plan EIR, Resolution No. 68905, PP98-03-072.

SUMMARY

On March 9, 2004, Council directed staff to proceed with the procurement of technology, furniture, equipment and relocation services. In addition, a work plan for implementation of individual procurements and cost saving strategies was reviewed and approved by Council. Included in the work plan is procurement and a cost estimate titled "T6 - Audio Visual Equipment." At that time, the City Council set as a goal that the Audio Visual (A/V) technology package be reduced by 15%. While the lowest bid proposal did exceed the engineering estimates for this purchase, the recommendation contained in this memorandum successfully reduces the original A/V package by more than 20%. To accomplish this goal, staff focused on preserving the infrastructure for future technology expansion, while eliminating technology from 116 conference rooms including the Mayor's and Economic Development conference rooms, and downgrading technology in the Council Committee Rooms.

The total cost of the A/V technology was estimated at \$3,350,000, which included system design documents, project specifications, and installation of audio-visual equipment. The focus of the A/V contract is on providing the facility with the systems necessary to support customer use of the facility and to provide a strong infrastructure that will accommodate expansion well into the future. The Rotunda, Customer Service Center, Elevator lobbies, and the Council Chamber will have visual displays that will provide City of San José information to the public.

While this recommendation has been scaled back significantly, the proposal before Council preserves the following A/V capabilities:

- Council Chambers — Presentation equipment that includes computer and document projectors, audio and video displays, in-room public address systems, electronic voting and meeting management system, video recording and distribution system for Civic Center TV.
- Committee Rooms — Presentation equipment including computer and document projectors, audio and video displays, in-room public address systems
- Assistive listening devices in the rotunda, council chambers, and Committee rooms.
- Customer Service Center Automated Customer Queuing System
- Downgraded digital signage system to display information and meetings in elevator lobbies and main entrances of the New City Hall

A number of A/V technology items are not being recommended for award and are detailed below. Among them are:

- A/V technology in 116 conference rooms distributed throughout the facility
- Electronic voting and portable audio system for Committee Room
- Cameras for recording meetings in the Committee Room
- Technology in the Economic Development and Mayors conference rooms

A more complete list of A/V technology not recommended is attached as an appendix to this proposal. In determining which functions to recommend and exclude, staff concentrated resources on ensuring that the infrastructure necessary to accommodate the future installation of A/V technology would be included.

ANALYSIS

Working with Shen Milsom & Wilke, the consultant providing audio visual design services to Richard Meier & Partners (RMP) and The Steinberg Group, a bid package was structured to maximize flexibility in awarding audio visual equipment for the new City Hall. Because of the need to integrate the installation of the audio-visual equipment with millwork and other tenant improvements managed by Turner-Devcon, the Joint Venture managed the bidding and coordination of the A/V bid package. A pre-qualification process was used to assure that project bidders would have both the technical and financial capacity to complete the project as required

Reductions

In response to the City Council's concern about the cost of A/V technology in the new City Hall, staff made several changes to the plans prior to releasing the bid package, including: downgrading the digital signage system by eliminating three plasma screens and replacing them with LCD displays in elevator lobbies, eliminating or downgrading three conference room plasma screens, and reducing the size of LCD display screens in other areas. In addition, a number of A/V elements were separated from the base bid package and included as alternates to provide flexibility in awarding this work. These are included in Appendix A.

In addition to the add-alternates, the contract was structured to allow the City to direct adjustments to the quantities of video cubes and low/mid/high level conference room build outs. By directing reductions, the City will receive a credit from the construction contractor. These funds can then be used to address any contingencies that arise during the contract. As a result, staff is not requesting the 5% construction contingency of \$197,500 that would normally accompany this award, but instead recommends that the City Manager have authority to direct reductions consistent with this memo. Funds available would then be used to address unforeseen conditions, if any, during construction.

Not included in this bid package, but part of the A/V technology plan for the building, are kiosks that would provide access to various City services via public use computers throughout the facility. The number of kiosks planned for the facility has been reduced from ten to three for an additional estimated \$200,000 reduction, and will be bid later.

Working with the A/V design engineers, staff projected that the potential value of reductions by declining these add-alternates, combined with other reductions made prior to releasing the bid package, would allow as much as a 29% reduction from the Engineer's Estimates contained in the original proposal brought to the City Council earlier this year. While the add-alternates do provide the flexibility to reduce the cost of A/V, the lowest bidder exceeded the projected cost significantly.

Bid Package

In addition to the base bid scope of work there are two alternates recommended for award as part of the contract:

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| Alternate No. 8 | Conference Room C133 — A conference room adjacent to the City Council Chambers that would include a built-in computer and data projection system, audio conferencing capability, and a TV with VCR/DVD playback system. |
| Alternate No. 12 | Add Broadband RF Distribution System — Without this system television signals would not be available anywhere in the facility. |

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<u>Contractor</u>	<u>Bid Amount</u>	<u>Alternate Total</u>	<u>Total Bid</u>	<u>Variance Amount</u>	<u>Over/(Under) Percent</u>
Spinitar (Santa Fe Springs)	\$4,151,236	\$651,508	\$4,802,744	\$1,452,744	43
Pro Media (Hercules)	\$4,188,498	\$533,000	\$4,741,498	\$1,391,498	42
Ceitronics (San José)	\$3,623,785	\$322,607	\$3,946,392	\$596,392	18
Engineer's Estimate	\$2,992,950	\$357,050	\$3,350,000		

<u>Contractor</u>	<u>Alt #8</u>	<u>Alt #12</u>	<u>Total</u>
Spinitar	\$17,434	\$634,074	\$651,508
Pro Media	\$19,000	\$534,000	\$553,000
Ceitronics	\$(3,552)	\$326,159	\$322,607

The low bid was received from Ceitronics, a local firm with its corporate headquarters in San José. Ceitronics also installed all of the A/V technology in the San Francisco City Hall during its recent restoration project. Ceitronics' bid was \$3,946,392, which is 18% above the Engineer's Estimate. Because the bid package does not include line item pricing for equipment, it is difficult to determine why all bids exceeded the Engineer's Estimate. Factors that may have contributed include the size and complexity of the project, the costs associated with meeting the requirements of the Project Labor Agreement and coordination with multiple contractors working concurrently on the site. Given that all of the responding bidders exceeded the Engineer's Estimate by 18% to 43%, staff considers the Ceitronics proposal reasonable for the work involved in the project.

Financing

Following award of bid and consistent with the City Council's direction at its February 3, 2004 meeting, staff will further reduce the cost of A/V technology by downgrading all conference rooms to the lowest level and by eliminating all video cubes as shown in the following table:

	<u>Unit Price</u>	<u>In Base Bid</u>		<u>Proposed</u>		<u>Reduction</u>
		<u>Count</u>	<u>Cost</u>	<u>Count</u>	<u>Cost</u>	
High-Level Conference Rooms	\$ 30,442	6	\$ 182,652	0	\$ -	\$ 182,652
Mid-Level Conference Rooms	\$ 4,290	51	\$ 218,790	0	\$ -	\$ 218,790
Low-Level Conference Rooms	\$ 1,940	58	\$ 112,520	115	\$ 223,100	\$ (110,580)
Conference Room Subtotal		115	\$ 513,962	115	\$ 223,100	\$ 290,862
Video Cubes	\$ 23,304	3	\$ 69,912	0	\$ -	\$ 69,912
Total			\$ 583,874		\$ 223,100	\$ 360,774

BUDGET REFERENCE

Fund #	Appn. #	Appn. Name	RC #	Total Appn	Amt for Contract	Adopted Budget Page	Last Budget Action (Date, Ord. No.)
473	4852	Civic Center Technology Improvements	131419	\$25,700,000	\$3,946,392	N/A	01/13/04, Ord. No. 27503

CEQA

Civic Plaza Redevelopment Plan EIR, Resolution No. 68905, PP98-03-072.

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Tom Manheim
Public Outreach Manager



Katy Allen
Director, Public Works Department

SPM:spm:civic

APPENDIX A
Bid Package Add Alternatives

	<p>Economic Development Conference Room (Cont'd)</p> <p style="text-align: center;">-----NOT RECOMMENDED-----</p>	<p>would include one large (100") video screen capable of simultaneously displaying several images (e.g. GIS information, teleconferencing participants, power point presentation, and computer data. The screen would be equipped with a touch-sensitive overlay, which would allow the user to interact with the screen in much the same way they would if they were using a mouse on a traditional computer monitor. The infrastructure necessary to add this equipment later is included in the base bid.</p>
11	<p>Broadcaster Tie Line Connectivity</p> <p style="text-align: center;">-----NOT RECOMMENDED-----</p>	<p>Because of the size of the facility, it is designed to accommodate television news crews by providing a video feed system from three locations (rotunda, plaza, and City Council Chambers) to a site on 6th Street where news vehicles could relay the signal to their stations. Conduits and boxes are included in the base bid so that this function could be added later.</p>
12	<p>Broadband Distribution System</p>	<p>Without this system television signals would not be available anywhere in the facility.</p>
13	<p>Satellite Distribution System</p> <p style="text-align: center;">-----NOT RECOMMENDED-----</p>	<p>This system would allow for emergency and other programming to be received either for internal use or distribution on the City cable channel, Civic Center Television.</p>

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