



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Julia H. Cooper

**SUBJECT:** SEE BELOW

**DATE:** February 14, 2022

Approved

Date

**2/24/2022**

**SUBJECT: REPORT ON REQUEST FOR PROPOSAL FOR A PUBLIC ADDRESS SYSTEM FOR NORMAN Y. MINETA SAN JOSE INTERNATIONAL AIRPORT**

## **RECOMMENDATION**

Accept the report on the Request for Proposal and adopt a resolution authorizing the City Manager to:

- (a) Negotiate and execute an agreement with SITA Information Networking Computing USA, Inc. (Atlanta, GA) for a Public Address system including associated hardware, software, support, maintenance, and related services for an initial three-year term beginning on or about March 16, 2022 through March 15, 2025 with a total maximum compensation not to exceed \$1,550,253, subject to the appropriation of funds;
- (b) Negotiate and execute amendments and change orders as required for any unanticipated changes for a contingency amount not to exceed \$300,000 during the initial three-year term, subject to the appropriation of funds; and
- (c) Exercise up to seven (7) one-year options to extend the term of the agreement and the software license with the last option ending on or about March 15, 2032 in alignment with the software renewal term, subject to the appropriation of funds.

## **OUTCOME**

Approval of this action will provide a state-of-the-art Public Address system at the Norman Y. Mineta San José International Airport to enhance customer experience and provide timely and vital information to the traveling public.

**BACKGROUND**

The Airport Department (Airport) contracts with a third-party vendor to provide and maintain its Public Address (PA) system. In March 2008,<sup>1</sup> City Council authorized staff to execute an agreement for the implementation of a PA system with Signature Technologies, Inc. dba Com-Net Software. Com-Net Software was acquired by SITA Information Networking Computing USA Inc. in December 2010. Since that time, Council has approved additional actions<sup>2</sup> to expand and update the system, as well as additional options to extend the term. The last option of the current agreement ends July 14, 2022.

**ANALYSIS**

In August 2021, the Finance Department released a Request for Proposal (RFP) for a PA system at the Airport through the City's e-procurement system, Biddingo. A total of twenty-five (25) companies viewed the RFP, and four (4) responsive proposals were received prior to the submittal deadline.

**Evaluation Process:** Proposals were evaluated and scored independently, in accordance with the evaluation criteria set forth in the RFP, by a three-member evaluation team comprised of representatives from the Airport. Following the initial evaluation, the City conducted a Best and Final Offer with all respondents to make additional clarifications and finalize pricing. Two (2) respondents withdrew their proposals during the Best and Final Offer stage. Evaluation results for the remaining two (2) finalists are as follows:

<b>Evaluation Criteria</b>	<b>Maximum Points</b>	<b>Point One Electrical Systems Inc.</b>	<b>SITA Information Networking Computing USA Inc.</b>
General Requirements	5	5	5
Experience and Qualifications	15	8	15
Project Approach/Schedule	20	12	19
Technical Capabilities	30	23	23
Cost Proposal (Best and Final Offer)	20	19	20
Local Business Enterprise	5	0	0
Small Business Enterprise	5	0	0
<b>TOTAL</b>	<b>100</b>	<b>67</b>	<b>82</b>

<sup>1</sup> March 2008 Council Memo: [http://www3.sanjoseca.gov/clerk/Agenda/030408/030408\\_06.03.pdf](http://www3.sanjoseca.gov/clerk/Agenda/030408/030408_06.03.pdf)

<sup>2</sup> 2009 – 2019 Council Memos: [http://www3.sanjoseca.gov/clerk/Agenda/20090929/20090929\\_0206.pdf](http://www3.sanjoseca.gov/clerk/Agenda/20090929/20090929_0206.pdf)  
[http://www3.sanjoseca.gov/clerk/Agenda/20110621/20110621\\_0305.pdf](http://www3.sanjoseca.gov/clerk/Agenda/20110621/20110621_0305.pdf)  
<https://sanjose.legistar.com/View.ashx?M=F&ID=5670590&GUID=31A58F2D-3A88-4196-97C6-02593619C58F>  
<https://sanjose.legistar.com/View.ashx?M=F&ID=7319004&GUID=015B602A-045D-4DAC-9354-55129854B31F>

***Local and Small Business Enterprise Preference:*** In accordance with San José Municipal Code Section 4.12.320.C.1, ten percent of the total evaluation points were reserved for local and small business enterprise preference. None of the proposers requested the local or small business enterprise preference.

***Protest:*** The City RFP process included a ten-day protest period that began when the City issued the Notice of Intended Award on January 7, 2022. No protests were received.

***Award Recommendations:*** Staff recommends award of contract to SITA Information Networking Computing USA, Inc., whose proposal was scored as the best value proposal per the evaluation criteria set forth in the RFP. SITA Information Networking Computing USA, Inc.'s proposal was rated highly in the following key areas:

- Extensive experience providing the same or similar services and solutions for public agencies;
- Thorough project approach and schedule with in-depth timelines;
- Extensive training;
- Well-defined issue resolution processes; and
- Lowest overall total cost of ownership.

Staff conducted reference checks with the Port of Portland/Portland International Airport (OR) and the City of Phoenix/Phoenix Sky Harbor International Airport (AZ). Both references provided positive feedback.

***Office of Equality Assurance:*** The City of San José's Living/Prevailing Wage Policy applies to this agreement.

***Summary of Proposed Agreement:*** The agreement with SITA Information Networking Computing USA, Inc. will be in accordance with the City's standard terms and conditions and include the following provisions:

- A detailed scope of work to ensure that the implemented solution complies with the City's requirements;
- A preliminary project implementation plan that meets the City's requirements for project completion;
- A compensation schedule that includes holdback for vendor payment after final acceptance of all milestones and project deliverables;
- Fixed pricing for the initial three-year term of the agreement, with any vendor requests for increases for option terms justified in accordance with the Consumer Price Index and limited to 3% over the previous year's fees unless the City's Living and/or Prevailing Wage, as applicable, increases by more than 3% or unless otherwise negotiated; and

- Seven (7) one-year options to extend the agreement for ongoing software licensing, technical support, maintenance, and other related services.

## **CONCLUSION**

Approval of this recommendation will ensure more cost-effective, reliable, and efficient Airport PA system operation and maintenance, while incorporating updated technology, equipment, and software to enhance services to the traveling public.

## **EVALUATION AND FOLLOW-UP**

This memorandum will not require any follow-up from staff.

## **CLIMATE SMART SAN JOSE**

The recommendation in this memorandum has no effect on Climate Smart San José energy, water, or mobility goals.

## **PUBLIC OUTREACH**

This item will be posted on the City's website for the March 8, 2022 City Council meeting.

## **COORDINATION**

This memorandum has been coordinated with the Airport Department, the City Attorney's Office, and the City Manager's Budget Office.

## **COMMISSION RECOMMENDATION**

No commission recommendation or input is associated with this action.

## **FISCAL/POLICY ALIGNMENT**

This action is consistent with the City's 2021-2022 Adopted Capital Budget and City Service Area of Transportation and Aviation Services to provide the community with safe, secure, and

efficient surface and air transportation systems that support San José’s livability and economic vitality.

**COST SUMMARY/IMPLICATIONS**

**1. AMOUNT OF RECOMMENDATION (3-year initial term) \$1,550,253**

**2. COST ELEMENTS:**

**One-Time Implementation Services (Year 1)**

- Project Kick-Off, Project Management, Project Implementation Plan	\$131,777
- Configuration and Installation/Implementation	260,983
- Test Plans, Testing, and Documentation	144,338
- Training (included)	0
- Final Acceptance	134,275

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**One-Time Implementation Services Subtotal \$671,373**

**Hardware, including warranties (Year 1)**

- PA/Visual Paging Automation System	\$72,169
- Full Function Paging Mic Stations (91 at \$2,500 each)	227,500
- 8-Channel, 1000W/CH Flex Amplifier (11 at \$6,119 each)	67,311
- 8-Channel, 4000W, Q-Sys (22 at \$4,465 each)	98,238
- Cx-Q2K4 Amplifier (5 at \$2,288 each)	11,440
- Four Button Desktop Page Stations (12 at \$1,888 each)	22,653

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**Hardware Subtotal \$499,311**

**Ongoing Services, including licensing, maintenance, and support (Years 1-3)**

- Software Licenses/Subscriptions (3 years at \$23,390/year)	\$70,170
- Onsite Technical Support and Maintenance (3 years at \$103,133/year)	309,399

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**Ongoing Services Subtotal \$379,569**

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**CONTRACT NOT-TO-EXCEED TOTAL (3-year initial term) \$1,550,253**

Contingency (subject to an executed change order or amendment) 300,000

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**GRAND TOTAL NOT TO EXCEED (3-year initial term) \$1,850,253**

**3. SOURCE OF FUNDING:** Airport Renewal and Replacement Fund (527)

**4. FISCAL IMPACT:** The PA system implementation and hardware installation will be funded from the Airport Renewal and Replacement Fund (527). Annual maintenance and support after initial year will be requested as part of the 2022-2023 Base Budget and will be subject to the appropriation of funds.

**BUDGET REFERENCE**

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

Fund #	Appn. #	Appn. Name	Total Appn.	Amt. for Contract*	2021-2022 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
527	427D	Terminal Paging System	\$3,000,000	\$1,297,207	793	06/22/2021, 30621

\*The costs for the initial year of the three-year agreement are projected to be \$1,297,207. The annual maintenance and support after the initial year (totaling \$253,046) will be requested as part of the 2022-2023 Base Budget and will be subject to the appropriation of funds.

**CEQA**

Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

/s/  
JULIA H. COOPER  
Director of Finance

For procurement and contract related questions, please contact Jennifer Cheng, Deputy Director of Finance, at [jennifer.cheng@sanjoseca.gov](mailto:jennifer.cheng@sanjoseca.gov). For program-related questions, please contact Michael Glazer, Airport Operations Manager, at [mglazer@sjc.org](mailto:mglazer@sjc.org).