



REPORT TO COUNCIL

City of Sacramento

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STAFF REPORT
August 5, 2010

**Honorable Mayor and
Members of the City Council**

Title: Award of Contract: Sacramento Convention Center Marquee

Location/Council District: District 1 and District 3

Recommendation: Adopt a **Resolution:** 1) adopting the Hearing Examiner's findings of fact and recommended determination regarding the bid protest filed by Daktronics, Inc. in connection with the Sacramento Convention Center Marquee Replacement Project (M17101100) ("Project"); 2) awarding the contract for the Project to Young Electric Sign Company (YESCO) in an amount not to exceed \$167,225.00; and 3) authorizing the City Manager or his designee to execute the contract with (YESCO).

Contact: Melanie Medina, Staff Aide, #808-7048; Judy Goldbar, General Manager, #808-5630

Presenters: Judy Goldbar, General Manager

Department: Convention Culture and Leisure

Division: Convention Center Complex

Description/Analysis

Issue: The existing double face Convention Center Marquee on J Street was fabricated and installed in 1998. The current software runs on a Windows 95 platform and is serviceably outdated by City IT standards. Staff recommends upgrading to a LED double face display and operating system within the existing structure. Invitation for Bid (IFB) was issued on November 4, 2009. Three bids were received on December 9, 2009 and YESCO was determined to be the lowest responsive and responsible bidder.

Staff recommends awarding a contract to retrofit the Sacramento Convention Center J Street Marquee to YESCO, as the lowest responsive and responsible bidder, in an amount not to exceed \$167,225.00.

Policy Considerations: The requested actions are consistent with the City's Strategic Plan Goal of Promoting and Supporting Economic Vitality by allowing the Convention Center Complex to remain competitive. The recommendations in the report are consistent with the provisions of Sacramento City Code Chapter 3.60.

Committee/Commission Action: N/A

Environmental Considerations: The actions recommended in this report are exempt from review under State CEQA Guidelines, California Code of Regulations, title 14, Section 15302 and therefore are not subject to environmental review.

Sustainability Considerations: Energy efficiency and sustainability are included in the goals for the Project. Upgrading the current software and operating system within the existing structure will provide increased energy efficiency and sustainability. Specifically, the current system uses a series of incandescent light bulbs to create the display; while the new system uses LED technology that will save approximately 160 kilowatts and \$18,000 annually.

Rationale for Recommendation: On December 9, 2009 the City received three bids for the Sacramento Convention Center Marquee project. The 'Invitation for Bid' included the retrofit the Sacramento Convention Center's J Street Marquee; with add alternates to provide LED displays for the existing Memorial Auditorium marquees; and provide five year maintenance agreements. Based on the Base Bid amount, Young Electric Sign Company (YESCO) was selected as the only responsive bidder. Two of the bidders were considered non-responsive as they both failed to meet the City's E/SBE 20% participation goal. See results in the table below:

Company Name	Base Bid \$	Total Bid \$	ESBE %
Young Electric Sign Company (YESCO)	\$167,225.00	\$250,593.00	20.0%
Daktronics, Inc.	\$172,198.56	\$211,360.32	13.4%
Sign and Lighting Services	\$177,322.00	\$201,297.00	Non-Responsive

Daktronics, Inc. filed a Bid Protest with the City Clerk on December 22, 2009 challenging the City's E/SBE requirement. A Hearing of the Bid Protest occurred on March 31, 2010. The Hearing Examiner found that Daktronics' bid failed in all respects to meet the 20% E/SBE participation level as required by the City and was thus properly rejected as nonresponsive by City Staff.

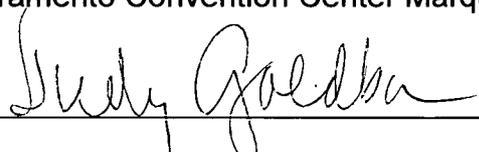
Also, Daktronics made no showing that the City failed to follow proper procedures in

considering the bids. Accordingly, the Hearing Examiner made the recommendation that the City deny Daktronics' bid protest.

Due to the current budget environment, staff recommends the retrofit of the Sacramento Convention Center J Street marquee only and to not pursue any of the add alternates. YESCO's base bid is one hundred sixty-seven thousand two hundred and twenty-five dollars (\$167,225.00). Construction work is anticipated to begin in August 2010 and should be completed within two weeks thereafter.

Financial Considerations: The Sacramento Convention Center operates as an Enterprise Fund. Sufficient funding is available within the Sacramento Convention Center Marquee Capital Improvement Project (M17101100) to award the contract to Young Electric Sign Company (YESCO) in an amount not to exceed \$167,225.00.

Emerging Small Business Development (ESBD): YESCO has an emerging/small business enterprise percentage of 20% for the Sacramento Convention Center Marquee project.

Respectfully Submitted by: 
Judy Goldbar, General Manager
Sacramento Convention Center Complex

Approved by: 
Barbara E. Bonebrake, Director
Convention, Culture, and Leisure Department

Recommendation Approved:

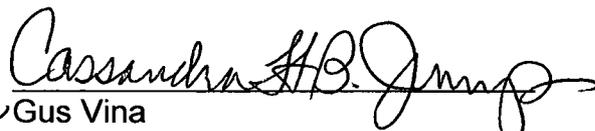

for Gus Vina
Interim City Manager

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Background

Advertising Program

Staff is pursuing digital display advertising to generate revenue. Although advertising revenue potential is limited due to the proximity to the building, and the need for the City to retain approximately 50% of the programming time in order to advertise clients events; a separate third party provider agreement may provide an average of \$30,000 annual revenue plus enhanced services to clients and business partners. Further development towards an appropriate advertising program is being pursued in anticipation of establishing a program in FY2010/11.

The following is a summary of the option currently being reviewed:

Select a third party to provide a full service advertising program, responsible for designing content, selling advertising space, and integrating system(s) as necessary.

City staff will retain control of 50% of the programming time to continue to use for the clients who book events within the Convention Center Complex. The provider will control the remaining 50% of the programming time and share revenues with the City.

The financial impact of the above arrangement is approximately thirty thousand dollars (\$30,000) to the City annually given the industry average 40/60 revenue split. An arrangement of this type typically averages approximately 3-5 years with a provider.

The next steps include solicitation of a request for Proposal (RFP) to obtain an appropriate third party advertising provider.

Exhibit A

Hearing Examiner's Decision

RESOLUTION NO. 2010-

Adopted by the Sacramento City Council

CONTRACT: SACRAMENTO CONVENTION CENTER MARQUEE

- A. The formal bid process for the Sacramento Convention Center Marquee project has been completed based on the qualifications set forth by the City.
- B. Pursuant to City Code Chapter 3.60, it was determined that Young Electric Sign Company (YESCO) was the lowest responsive and responsible bidder with a bid of \$167,225.00.
- C. A Bid Protest was filed by Daktronics, Inc. on December 22, 2009 challenging the City's E/SBE 20% participation goal.
- D. A Hearing of the Bid Protest occurred on March 31, 2010. The Hearing Examiner found that Daktronics' bid failed to meet the City's E/SBE 20% participation goal and made the recommended determination that the City deny Daktronics' bid protest.
- E. There are adequate funds in CIP (M17101100) to award this contract.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The Hearing Examiner's findings of fact and recommended determination regarding the bid protest filed by Daktronics, Inc. in connection with the Sacramento Convention Center Marquee Replacement Project (M17101100) ("Project") are adopted.
- Section 2. The contract for the Project is awarded to Young Electric Sign Company ("YESCO") in an amount not to exceed \$167,225.00.
- Section 3. The City Manager or his designee is authorized to execute the contract with YESCO.
- Section 4. Exhibit A, the Hearing Examiner's Decision, is part of this Resolution.