



Date: April 16, 2019

To: Thomas J. Bonfield, City Manager
Through: W. Bowman Ferguson, Deputy City Manager
From: Steven W. Hicks, Director, General Services Department
Subject: Purchase Contract with Sound Associates, Inc. for the Durham Performing Arts Center Audio System Upgrade

Executive Summary

Durham Performing Arts Center (DPAC) opened in November 2008, and as part of the construction contract with Skanska USA, Sound Associates, Inc. (Sound Associates) provided the audio system design, equipment, installation, and programming. On March 17, 2013, the City of Durham (City) executed a revised operating agreement with Nederlander and Professional Facilities Management (PFM). As part of this agreement, a new audio system is required to be installed by August 31, 2022. Due to improvements in sound technology, and necessity now, Nederlander and PFM recommended completing installation of the audio system by mid-September 2019 for DPAC to remain state of the art with other peer theaters.

General Services, in concurrence with the recommendation of the DPAC Operator, requests authority to execute a contract with Sound Associates, Inc. (Sound Associates) for the purchase and installation of upgraded sound equipment so that it is compatible the DPAC's current audio system and network. Over the past 10 years, Sound Associates has worked with DPAC staff on all upgrades, replacement equipment, and maintenance, making them the designer of record for the overall system.

The City proposes to execute a purchase contract with Sound Associates without competitive bidding because it is an overriding need that the upgraded DPAC sound equipment be compatible with the existing sound system infrastructure and network. Purchases made when standardization or compatibility is the overriding consideration are exceptions to the competitive bidding requirements of NCGS 143-129. Contracting with Sound Associates will ensure the new system is compatible and will integrate seamlessly with the existing audio infrastructure and original equipment already in place at DPAC. The end result will be a new system that adds new technology and improves the original sound design and sound experience allowing DPAC to remain on the forefront of current audio technology.

Recommendation

The General Services Department recommends that City Council:

To authorize the City Manager to execute a purchase contract with Sound Associates, Inc. to purchase audio equipment without competitive bidding, as authorized by G.S. 143-129(e)(6) on the grounds that standardization or compatibility is the overriding consideration, in the amount of \$1,380,000.00;

To establish a contingency fund for the contract in the amount of \$120,000.00;

To authorize the City Manager to negotiate and execute amendments to the purchase contract provided the total project cost does not exceed \$1,500,000.00; and

To adopt an ordinance amending the FY 2018-19 City of Durham Budget Ordinance as amended, the same being ordinance #15326.

Background

Sound Associates has been in the sound design and equipment business since 1946. They are considered to be the industry leader in the design and implementation of sound systems in venues across the country, including theaters on Broadway, as well as for prominent touring shows, that travel the United States and other parts of the world for concerts and special events. Sound Associates routinely works with Broadway producers to present the best audio experience on tour as possible and all of these shows routinely perform DPAC.

Sound Associates previous scope work at DPAC includes patch bay panels at multiple locations throughout DPAC, processing equipment, amplifiers, delay speakers, fiber optic cabling, video cabling, and speakers throughout the lobby, President's Club, administration offices & box office locations along with delay speakers and control at multiple locations within the audience seating area.

Over the past 6 years, DPAC has worked with Sound Associates to ensure audio upgrades, required as part of the 2013 operator agreement, stayed on schedule to meet the operator's contractual obligations. . These upgrades included the following scope of work:

- 2014 – Added two Meyer model 1100 Subwoofers
- 2015 – Added balcony speakers repurposed to front fill speakers
- 2016 – Added four Meyer 1100 subwoofers
- 2017 – Upgraded the hearing impaired system

The project scope for the upcoming and final remaining work will replace or upgrade the following audio system components:

- Public Address System – Includes adding various speakers, additional subwoofers cabinets and infrastructure.
- Audio Processing Control System - Upgrades all audio processing controls and components for efficient control and operation over wireless networking.
- Power Distribution System – New stage power distribution system distributing power anywhere on stage via various home runs and daisy chained runs of power outlets.
- Stage Intercom System - Upgrading wireless stage intercom systems to ensure quality performance and dependability for untethered performance.
- Wireless Microphones - New wireless microphones and all necessary elements including charging stations, body pack transmitters, batteries, antennas, cabling, and power.
- Front of House Consoles – New consoles and related components including input cards, road case, cabling, power, switches, and network equipment.
- Audio Splitter System – Stage fanout and splitter system for greater flexibility in patching on stage touring show audio equipment to DPAC systems
- Monitors - New monitor speaker wedge speakers and all necessary signal and power cabling.

- Fiber Infrastructure – Adding additional fiber optic capabilities to operate front of house console and add greater flexibility in patching touring PA into DPAC processing and delay system.
- Work Boxes – New cases to house, store, and allow greater flexibility.

Issues and Analysis

Purchase without competitive bidding is allowed in certain instances under North Carolina law as an exception to public contracting in accordance with NCGS 143-129 (e) (6) when it can be shown that “(i) performance or price competition for a product are not available; (ii) a needed product is available from only one source of supply; or (iii) standardization or compatibility is the overriding consideration.”

The purchase of sound equipment for the DPAC meets the exception criteria above because standardization or compatibility is the overriding consideration for the following reasons: (a) the specialized and unique DPAC venue, including as-built conditions, requires audio system components and equipment that are compatible with existing components and audio system network; (b) the new equipment must integrate with existing computer systems, fiber optic systems, and programming requirements to ensure hardware and software compatibility ; and (c) Standardizing warranty continuity will assure DPAC quality and efficiency of service.

The schedule is as follows:

- City Council Approval – May 20, 2019
- Design and Procurement – May 21 to September 1, 2019
- Installation – September 2 to September 13, 2019

Alternatives

An alternative would be attempt to competitively bidding the equipment portion only, and having Sound Associates provide design, programming, and installation only. This alternative not recommended because it will add time to the schedule, will require more coordination due to the loss of efficiencies and standardization, will compromise compatibility, and it is not standard practice to separate equipment purchase from installation.

Financial Impact

Funds for this project are currently budgeted and available as follows:

FUNDING SOURCES

DPAC Fund Balance	\$1,500,000.00
Total Revenues	\$1,500,000.00

PROJECT COSTS

Design	\$ 50,000.00
Installation	\$ 90,500.00
Equipment Purchase	\$ 1,200,000.00
Shipping	\$ 13,500.00
Allowance	\$ 26,000.00
Contingency (10%)	\$ 120,000.00
Total Expenditures	\$1,500,000.00

Equal Business Opportunity Summary

This is a renewal of a current contract from a sole source provider. The Department of Equal Opportunity/Equity Assurance did not review the item for compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting.

Workforce Statistics

Total Workforce:

Employment Category	Total Employees	Total Males	Total Females
Project Manager	8	8	0
Professional	2	0	2
Technical	3	3	0
Clerical	8	4	4
Labor	58	56	2
Total	79	71	8

Male:

Employment Category	White	Black	Hispanic	Asian or Pacific Islander	Indian or Alaskan Native
Project Manager	8	0	0	0	0
Professional	0	0	0	0	0
Technical	3	0	0	0	0
Clerical	4	0	0	0	0
Labor	46	2	8	0	0
Total	61	2	8	0	0

Female:

Employment Category	White	Black	Hispanic	Asian or Pacific Islander	Indian or Alaskan Native
Project Manager	0	0	0	0	0
Professional	2	0	0	0	0
Technical	0	0	0	0	0
Clerical	3	1	0	0	0
Labor	2	0	0	0	0
Total	7	1	0	0	0