



City of San Antonio

Agenda Memorandum

File Number: 19-5434

Agenda Item Number: 7.

Agenda Date: 8/22/2019

In Control: City Council A Session

DEPARTMENT: Finance

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Purchase of Video Display System for the Alamodome related to an Events Trust Fund reimbursable event and appropriating of funds from the Hotel Occupancy Tax Redemption & Capital Reserve Fund

SUMMARY:

An ordinance authorizing acceptance of a contract with D&L Communication Systems, Inc. to provide all labor, material and equipment to install a Video Display System consisting of four LED Displays in a center hung configuration at the Alamodome for a total cost of \$1,299,240.00. Funds in the amount of \$279,965.00 are available from the FY 2019 Community and Visitor Facilities Fund and will be combined with the \$1,019,275.00 appropriated from the Hotel Occupancy Tax Redemption & Capital Reserve Fund to fund the total cost of \$1,299,240.00 This action amends the FY 2019 - FY 2024 Capital Improvement Program.

Upon completion of hosting the Concert for Peace in December 2019, the Convention & Sports Facilities Department will submit for reimbursement of the Video Display System to the Office of the Governor in accordance with the Events Trust Fund program. Reimbursement funds received will be deposited back into the Hotel Occupancy Tax Redemption & Capital Reserve Fund.

BACKGROUND INFORMATION:

The Events Trust Fund Program created through statute, Vernon's Texas Civil Statutes 5190.14, provides municipalities and counties the opportunity to obtain reimbursement for eligible expenses related to hosting and attracting high-visibility, high-tax impact events to the State of Texas that could otherwise have taken place outside of the state. The Event Trust Funds may be utilized to pay for eligible expenses such as preparing for an

event, conducting an event to include equipment, or pay towards principal and interest used to build or improve facilities to host the proposed event.

The Events Trust Fund applies local and state gains from sales and use, auto rental, hotel and alcoholic beverage taxes generated over a 30-day period from the date of an event or series of events conducted no more than once annually. Reimbursable dollars for these sports events are based on anticipated tax gain for a particular event. In order to obtain reimbursement for eligible expenses, municipalities are required to match funds that are deposited in the Events Trust Fund on a ratio of 1:6.25.

The Alamodome will host the Concert for the Peace on December 13, 2019. Estimated attendance is projected to be over 70,000. This event has been submitted for approval to the Governor's Office as eligible under the State's Events Trust Fund program for reimbursement in anticipated amount of \$980,297.00 in qualified expenses related to hosting the event. The Video Display System is an improvement that will be submitted to the State for reimbursement and is vital to the success of the event. The current Video Display System was installed in 1994 and has exceeded its useful life span. The Video Display System will enhance the attendee experience by projecting the concert on LED displays. The new Video Display System can also be used for sporting events and will enable the Alamodome to competitively bid on future soccer, NCAA and college football opportunities such as the College Football National Championship and distinguish the facility from other comparable stadiums.

This purchase is made through a competitive bid process. A formal invitation for bid was released on July 17, 2019 and closed on July 31, 2019 with three (3) bids received. Of these, D&L Communication Systems, Inc. was determined to be the lowest responsive bidder.

ISSUE:

This turn-key contract with D&L Communication Systems, Inc. will provide all labor, material, equipment and required permits for the installation of a Video Display System consisting of four LED Display Walls in a center hung configuration at the Alamodome. This contract also includes a spare parts package to support D&L Communication Systems, Inc. manufactured products, and onsite operator training for three days. In addition, D&L Communication Systems, Inc. will be required to remove and dispose of existing equipment; assemble center hung suspended system (structure and displays); steel fabrication and install support structure; lift and mount equipment listed in proposal; unpack, set-up, hook-up, and testing of display interface; perform final systems testing and commissioning. Installation of the Video Display System must be completed no later than September 30, 2019. The City anticipates reimbursement of an estimated \$980,297.00 from the Texas State Events Trust Fund.

D&L Communication Systems, Inc. provides a five year standard parts and labor warranty to begin the date of acceptance by the Convention and Sports Facilities Department.

The Small Business Economic Development Advocacy (SBEDA) Ordinance requirements were waived due to the lack of small, minority, and/or women businesses available to provide these goods and services.

There were no bids submitted from local bidders for this contract; therefore the Local Preference Program was not applied.

The Veteran-Owned Small Business Program does not apply to goods/supplies contracts, so no preference was applied to this contract.

ALTERNATIVES:

If the contract with D&L Communication Systems, Inc. and the appropriation of funds in the amount of \$1,019,275.00 from the Hotel Occupancy Tax Redemption & Capital Reserve Fund are not approved, the City will lose its opportunity to obtain reimbursement by the State for eligible expenses related to hosting this event. Lack of financial support for major events or sporting events jeopardizes the City's ability to remain competitive in hosting these events in the future.

FISCAL IMPACT:

This ordinance authorizes a contract with D&L Communication Systems, Inc. in the amount of \$1,299,240.00 for the purchase of a Video Display System. Funds in the amount of \$279,965.00 are available from the FY 2019 Community and Visitor Facilities Fund and \$1,019,275.00 is appropriated from the Hotel Occupancy Tax Redemption & Capital Reserve Fund for a total cost of the Video Display System in the amount of \$1,299,240.00. This action amends the FY 2019 - FY 2024 Capital Improvement Program.

The City anticipates reimbursement of up to \$980,297.00 from the State of Texas Events Trust Fund for the Concert for the Peace event at the Alamodome. Funds received from the State will be deposited into the HOT Redemption and Capital Reserve Fund upon receipt.

RECOMMENDATION:

Staff recommends approval of an Ordinance approving a contract with D&L Communication Systems, Inc., to provide all labor, material and equipment to install a Video Display System consisting of four LED Displays in a center hung configuration at the Alamodome for the Convention and Sports Facilities Department for a total cost of \$1,299,240.00 and appropriating funds in the amount of \$1,019,275.00 from the Hotel Occupancy Tax Redemption & Capital Reserve Fund which will amend the FY 2019-2024 Capital Improvement Plan.

This contract is procured by competitive bid process and a Contract Disclosure form is not required.