



REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www.CityofSacramento.org

CONSENT
December 9, 2008

Honorable Mayor and
Members of the City Council

Title: Contract: Elevator Repair and Maintenance Services at New City Hall (Two-Thirds Vote Required)

Location/Council District: 915 I Street, District 1

Recommendation: Adopt a **Resolution:** 1) suspending competitive bidding in the best interests of the City; 2) awarding a five-year contract for elevator repair and maintenance services at new City Hall to Kone, Inc. in a total amount not to exceed \$175,000 for the five year period; and 3) authorizing the City Manager or the City Manager's designee to execute the contract provided that sufficient funds are available in the budget adopted for the applicable fiscal year(s).

Contact: Tony Alexander, General Supervisor, 808-6360; Cynthia Kranc, Facilities Manager, 808-2258

Presenters: Not applicable

Department: General Services

Division: Facilities and Real Property Management

Organization No: 13001521

Description/Analysis

Issue: In accordance with City Code Section 3.56.230, the City Council may, by a two-thirds vote, suspend competitive bidding for any purchase or contract in the best interests of the City. Contract award is recommended to Kone, Inc. because it is the original manufacturer and installer of the five elevators at new City Hall. Kone Inc. is the only elevator manufacturer that has the capability to perform complete maintenance and repairs due to the proprietary nature of the microprocessor controls.

Policy Considerations: The recommendations in this report are consistent with the provisions of Sacramento City Code Chapter 3.56.

Committee/Commission Action: Not applicable

Environmental Considerations:

California Environmental Quality Act (CEQA): The current proposal involves the awarding of a contract for repair and maintenance services. The proposal is not a 'project' in accordance with Section 15378 of the California Environmental Quality Act Guidelines. The proposal does not have a potential for resulting in either direct or indirect physical changes in the environment. Therefore, as determined by the City's Environmental Services Planning Manager, no environmental review is necessary.

Sustainability Considerations: Not applicable

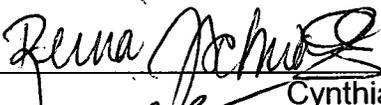
Rationale for Recommendation: Elevator repair and maintenance services are critical to meeting Americans with Disabilities Act (ADA) standards, improving the safety and reliability of the City's elevators, and improving the quality of services to the buildings. This equipment must also remain in compliance with State of California mandates for maintenance, safety, and repairs.

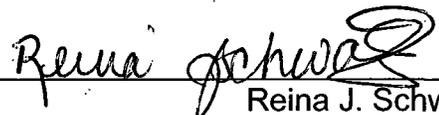
Kone, Inc. is the original manufacturer and installer of the five new City Hall elevators. Kone, Inc. is the only elevator manufacturer that has the capability to perform complete maintenance and repairs due to the proprietary nature of the microprocessor controls. There are potential safety implications involved in mixing different manufacturer parts and controls. No other leading elevator manufacturer or contractor has the capability of full maintenance, troubleshooting and repairs using Kone approved parts and materials, originally manufactured and installed by Kone, Inc.

This contract covers elevator service performed between the hours of 8am to 5pm Monday through Friday for a cost of approximately \$130,000 for a five year term. The balance of \$45,000 covers off-hour response and emergency repairs as needed. Staff's estimate for maintenance and repair is \$26,000 annually. Much of the work required with the elevators at new City Hall has been covered under Kone's warranty. However, during FY2007/08, the City contracted elevator maintenance at new City Hall with Kone for approximately \$25,000.

Financial Considerations: Funding for elevator repair and maintenance services at new City Hall will be provided by the Department of General Services' General Fund operating budget. Sufficient funding is available in the department's FY2008/09 budget to purchase these services through June 30, 2009. Purchases made after June 30, 2009 are subject to funding availability in the adopted budget for the applicable fiscal year.

Emerging Small Business Development (ESBD): Kone, Inc. is not certified as an emerging/small business enterprise. As of May 31, 2008, the Department of General Services has achieved an ESBD percentage of 36.84% for FY2007/08.

Respectfully Submitted by: 
Cynthia Kranc
Facilities Manager

Respectfully Submitted by: 
Reina J. Schwartz
Director, Department of General Services

Recommendation Approved:


for Ray Kerridge
City Manager

Table of Contents:	
Report	Pg 1
Attachments	
1 Resolution	Pg 4

RESOLUTION NO. 2008-

Adopted by the Sacramento City Council

December 9, 2008

SUSPENDING COMPETITIVE BIDDING AND AWARDING A CONTRACT FOR NEW CITY HALL ELEVATOR REPAIR AND MAINTENANCE SERVICES

BACKGROUND

- A. Maintenance and repair of city elevators is critical to meeting Americans with Disabilities Act (ADA) standards, improving the safety and reliability of the City's elevators, and improving the quality of services to the buildings. This equipment must also remain in compliance with State of California mandates for maintenance, safety, and repairs.
- B. It is in the best interests of the City to suspend competitive bidding as Kone, Inc. is the original manufacturer and installer of the five new City Hall elevators. Kone, Inc. is the only elevator manufacturer that has the capability to perform complete maintenance and repairs due to the proprietary nature of the microprocessor controls. There are potential safety implications involved in mixing different manufacturer parts and controls. No other leading elevator manufacturer or contractor has the capability of full maintenance, troubleshooting and repairs using Kone approved parts and materials, originally manufactured and installed by Kone, Inc.
- C. This contract covers elevator service performed between the hours of 8 am to 5 pm Monday through Friday for a cost of approximately \$130,000 for a five year term. The balance of \$45,000 covers off-hour response and emergency repairs as needed. Staff's estimate for maintenance and repair is \$26,000 annually. Much of the work required with the elevators at new City Hall has been covered under Kone's warranty. However, during FY2007/08, the City contracted elevator maintenance at new City Hall with Kone for approximately \$25,000.

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

- Section 1. It is in the best interests of the City to suspend competitive bidding, and competitive bidding is hereby suspended for the purchase of elevator repair and maintenance services.
- Section 2. Kone, Inc. is awarded a five-year contract for elevator repair and maintenance services at new City Hall in a total amount not to exceed \$175,000 for the five year period.

Contract: New City Hall Elevator Repair and Maintenance Services December 9, 2008

Section 3. The City Manager or the City Manager's designee is authorized to execute the contract specified above provided that sufficient funds are available in the budget adopted for the applicable fiscal year(s).