REPORT TO COUNCIL
City of Sacramento

915 I Street, Sacramento, CA 95814-2604
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CONSENT
May 29, 2007

Continued from 5-29-07

Continued from 6-5-07

Honorable Mayor and
Members of the City Council

Title: Contract: Discovery History Museum Escalator Modernization (CE21) -- Two Thirds Vote Required

Location/Council District: 101 I Street, District 1

Recommendation: Adopt a **Resolution:** 1) Suspending competitive bidding as in the best interests of the City; and 2) authorizing the City Manager or his designee to execute a construction contract with Kone, Inc. in an amount not to exceed $296,480.

Contact: Tony Alexander, General Supervisor, (916) 808-6360; Cynthia Kranc, Facilities Manager, (916) 808-2258.

Presenters: Not applicable

Department: General Services

Division: Facilities and Real Property Management

Organization No: 3282

Description/Analysis:

Issue: Public safety concerns have been brought forth repeatedly over the past year by Discovery History Museum staff regarding the escalator. The escalator has outlived its useful life, and the repair parts for the escalator are considered obsolete. If the escalator fails, it will be inoperable for many months. Renewal of the escalator will improve safety for museum visitors and staff, and the escalator reliability. It is anticipated that the escalator modernization work will be completed by late January 2008.

Policy Considerations: This action requested herein is consistent with the Sacramento City Code, Title 3 and with the City of Sacramento Strategic Plan goals of improving and expanding public safety. A two-thirds approval by City Council is necessary to suspend competitive bidding.

Environmental Considerations: The approval of this contract is not considered a project as defined by the California Environmental Quality Act, Section 15378 guidelines. The recommended action involves no physical construction and has no potential to cause significant impact to the environment.

Rationale for Recommendation: It is in the best interests of the City to suspend competitive bidding and execute a construction contract to Kone, Inc., the original manufacturer, as introducing other manufactured parts into this complex equipment has safety implications. Additionally, since this is a proprietary escalator no other leading escalator manufacturer or contractor has the capability of a full modernization using the remaining framework (truss) that was originally manufactured and installed by Kone, Inc.

Financial Considerations: Sufficient funding is available within the City Facility Deferred Maintenance project CE21 to execute a construction contract with Kone, Inc. in an amount not to exceed $296,480.

Emerging Small Business Development (ESBD): Kone, Inc., is not a certified Emerging or Small Business. Through the third quarter of Fiscal Year 2006/07 the Department of General Services has achieved an ESBE percentage of 65%.

Respectfully Submitted by: _____
Cynthia Kranc
Facilities Manager

Approved by: _____
Reina Schwartz
Director, Department of General Services

Recommendation Approved:

_____
for Ray Kerridge
City Manager

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Attachment 1

BACKGROUND INFORMATION:

The purpose of this project is the modernization of the Discovery History Museum escalator. This includes complete rehabilitation of the escalator, which will result in improved visitor and staff safety, and improved reliability of the escalator.

The original manufacturer, Kone, Inc., is being chosen to perform the modernization to maintain the brand compatibility. It is in the best interests of the City to not mix different manufacturers parts and equipment for a large piece of equipment that has safety implications.

The recommended contract amount is a reasonable price given the extent of the complete modernization with newest technology available by Kone, Inc. The City sought the opinion of two independent consultants and both have confirmed that the price is acceptable within the guidelines and work scope for this project.

RESOLUTION NO. 2007-XXX

Adopted by the Sacramento City Council

MAY 29, 2007

SUSPEND COMPETIVE BIDDING AND AUTHORIZE THE CITY MANAGER TO AWARD A CONSTRUCTION CONTRACT TO KONE, INC. IN AN AMOUNT NOT TO EXCEED $296,480 FOR THE MODERNIZATION OF THE DISCOVERY HISTORY MUSEUM ESCALATOR (CE21)

BACKGROUND

A. Rehabilitating and modernizing the Discovery History Museum escalator, is necessary to insure pedestrian safety, and improve the overall reliability of the escalator.

B. Kone, Inc., the original equipment manufacturer, is being chosen to perform the modernization to maintain brand compatibility and because there is no other manufacturer that will accept the liability associated with the repair of the escalator.

C. It is in the best interests of the City to suspend competitive bidding and execute a contract with Kone, Inc., as introducing other manufactured parts into this complex equipment may have safety implications.

D. City staff sought the recommendation of two independent consultants and both have confirmed that $296,480 is a reasonable price for the scope of this project.

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

Section 1. Competitive bidding is suspended as in the best interest of the City for the modernization of the Discovery History Museum Escalator.

Section 3. The City Manager or his designee is authorized to execute a construction contract in an amount not to exceed $296,480 with Kone, Inc. for the Discovery History Museum Escalator Modernization Project (CE21).