

August 4, 2004

Honorable Mayor and Members of  
the Hermosa Beach City Council

Regular Meeting of  
August 10, 2004

## **ELEVATOR MAINTENANCE CONTRACTS**

### **Recommendation:**

It is recommended that the City Council:

1. Award the attached three-year contract to Kone Elevator Inc. to provide maintenance and emergency response services for the two city-owned elevators for the fixed annual contract amount of \$3,420 (less 2% for annual pre-payment); and
2. Authorize the City Clerk to attest and the Mayor to execute said agreement, upon approval as to form by the City Attorney.

### **Summary:**

Staff originally recommended to Council at its June 22, 2004 meeting that the City extend the existing maintenance contracts with KONE Inc. for the City Hall elevator and ThyssenKrupp Elevator for the parking structure elevator. Council directed staff to go out for bids to get a more competitively based maintenance agreement for both elevators. Staff solicited proposals from seven firms (with follow-up phone calls) and received only two proposals, one from each of the original firms. The cost proposals are as follows:

KONE Inc.                                      \$3,420 per year (with 2% pre-payment discount =\$3,351.60)

ThyssenKrupp Elevator    \$4,128 per year (with 3% pre-payment discount =\$4,004.16)

Both are considered excellent companies providing outstanding service. Both can provide one-hour emergency response for possible entrapment in the elevator. Therefore, staff recommends awarding this three-year contract to the lowest cost proposal from KONE Inc.

Competitive bidding saved the City over \$3,736 over the three years of the contract.

### **Fiscal Impact:**

The annual amount of \$3,420 for routine maintenance services is to be pre-paid annually for a 2% savings. The reduced amount of \$3,351.60 will be charged to two accounts. \$1,675.80 (50%) will be charged to the North Pier Parking Structure account (109-3304-4201) and \$1,675.80 will be charged to the Building Maintenance account (001-4204-4201). Sufficient funds are available in these accounts for these expenditures. An additional amount of \$5,824.20 has been budgeted in the North Pier Parking Structure account for anticipated extra work for after hour call outs and repairs not covered in the routine maintenance agreement.

Attachment: Contract Services Agreement

Respectfully submitted,

Concur:

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Richard D. Morgan, P.E.  
Director of Public Works/City Engineer

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Stephen R. Burrell  
City Manager

Noted for fiscal impact:

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Viki Copeland  
Finance Director

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