

BOARD MEETING DATE: July 12, 2019

AGENDA NO. 9

PROPOSAL: Execute Contract for Elevator Modernization Project

SYNOPSIS: On April 5, 2019, the Board authorized the release of an RFP for Elevator Modernization at the South Coast AQMD headquarters. This action is to execute a contract with Kone, Inc. for an amount not to exceed \$1,564,367 for the upgrade and renovation of the elevators, including a five-year maintenance and service contract. Funding for the contract will come from the Undesignated Fund Balance.

COMMITTEE: Administrative, June 14, 2019; Recommended for Approval

RECOMMENDED ACTION:

Authorize the Executive Officer to execute a contract with Kone, Inc. for an elevator modernization project, including a five-year maintenance and service agreement, in an amount not to exceed \$1,564,367 from the Undesignated Fund Balance.

Wayne Nastri
Executive Officer

AJO:BJ:lm

Background

The current Montgomery elevators at South Coast AQMD headquarters are over 29 years old and operate an average of 12-14 hours per day, Tuesday through Friday, and 4-6 hours per day Saturday through Monday, 365 days per year. Typical elevator life expectancy is 20 to 25 years based on a facility's average usage. Over the past five years, maintenance costs for the elevators have escalated, while dependability and energy efficiency have declined.

The existing passenger elevator DC motors require a series of gears to move the elevators. These gears require and are submerged in fossil fuel gear oil, similar to the differential on an automobile. The elevator modernization RFP called for replacing the passenger elevator equipment with new, energy efficient, oil-free, gearless direct-drive

AC motors, and advanced technology microprocessor controllers. The new AC motors are the most energy efficient on the market, with regenerative drives and a dual brake system. This elevator modernization project will ensure lower energy costs, shorter waiting times, and improved ride quality.

Outreach

In accordance with South Coast AQMD's Procurement Policy and Procedure, a public notice advertising the RFP and inviting bids was published in the Los Angeles Times, the Orange County Register, the San Bernardino Sun, and Riverside County's Press Enterprise newspapers to leverage the most cost-effective method of outreach to the South Coast Basin.

Additionally, potential bidders may have been notified utilizing South Coast AQMD's own electronic listing of certified minority vendors. Notice of the RFP has been emailed to the Black and Latino Legislative Caucuses and various minority chambers of commerce and business associations, and placed on the Internet at South Coast AQMD's website (<http://www.aqmd.gov>).

Bid Evaluation

Nine contractors were contacted about the RFP and four attended the mandatory bidder's conference held on April 18, 2019. Two proposals were received when final bidding closed at 2:00 p.m. on May 8, 2019. Both were complete and met RFP requirements.

The evaluation panel consisted of a retired Director of Energy and Automation from MGM Properties; and two South Coast AQMD employees — the Building Supervisor and Laboratory Manager, both of whom have recent experience with large-scale building system upgrade projects for South Coast AQMD headquarters. Of the three panel members, two are Caucasian and one is Hispanic; all male.

Evaluation of the proposals was based on criteria specified in the RFP, which included cost, understanding of requirements, technical management approach, contractor qualifications, past experience and references.

Proposal

Staff recommends the elevator modernization contract be awarded to Kone, Inc., which received the highest technical score and proposed the lowest cost. Kone, Inc. (formerly Montgomery Elevator Company), founded in 1913, has extensive years of experience in the elevator and escalator industry in Southern California and is recognized as a global leader in the elevator and escalator industry. South Coast AQMD will be supported by the local Kone branch office in Cypress, with a service staff of 38 technicians and 10 field supervisors.

Kone, Inc. plans to implement the project in phases, working to complete the project in a timely manner, with minimal disruption. After engineering and plan submittals, passenger elevators 1 and 3 are scheduled to be completed in the first quarter of 2020; passenger elevators 2 and 4, as well as the freight elevator, are scheduled to be completed in the second quarter of 2020.

In addition to the elevator modernization work, both bidders proposed service agreements to maintain and repair the elevators through and after the modernization project. Staff recommends entering into a maintenance service agreement with the contractor performing the elevator modernization project. Kone, Inc. will prorate the costs of service while elevators are taken out of service for modernization work, and is also proposing one year of free maintenance upon completion of the project.

Resource Impacts

The cost of the elevator modernization project is \$1,405,950, and the cost of the five-year maintenance service agreement is \$158,417, for a total contract amount not to exceed \$1,564,367. Funding for the contract and service agreement will come from the General Fund Undesignated Fund Balance.

Attachment

Evaluation of Proposals for RFP #2019-19

ATTACHMENT

EVALUATION OF PROPOSALS FOR RFP P#2019-19

ELEVATOR MODERNIZATION

Bidder	Technical Score	Cost Score	Additional Points	Total Score
Kone, Inc.	66	30	0	96
ThyssenKrupp	58	28	2	88