



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Scott P. Johnson

SUBJECT: SEE BELOW

DATE: 6-4-07

Approved

Ray Winev

Date

6/8/07

SUBJECT: AGREEMENT FOR ELEVATOR AND ESCALATOR MAINTENANCE SERVICE FOR THE NORMAN Y. MINETA INTERNATIONAL AIRPORT

RECOMMENDATION

Adoption of a resolution authorizing the Director of Finance to:

1. Execute an agreement with Schindler Elevator Corporation (San Leandro, CA) for elevator and escalator maintenance services for the Norman Y. Mineta San José International Airport for one year at a cost of \$190,800 and approved supplemental funds of \$10,000 to pay for unscheduled work and authority to add or delete maintenance for elevators and escalators as required, for a total first year cost not to exceed \$200,800.
2. Execute four one-year options to renew the agreement subject to annual Consumer Price Index adjustments and annual appropriations.

OUTCOME

To maintain safe and usable elevators and escalators for the public and city employees accessing Airport facilities.

BACKGROUND

The City has an agreement with Schindler Elevator Corporation to provide labor, materials, and equipment for maintenance services for thirteen elevators and five escalators located in the

International Arrival (FIS) Terminal, Terminal A, and Terminal C at the Norman Y. Mineta San José International Airport. This action replaces the current agreement, which expires on June 30, 2007.

ANALYSIS

A notice inviting proposals was published on February 7, 2007 to provide maintenance services for thirteen elevators and five escalators located within Terminals A and C, and the International Arrival (FIS) building at the Norman Y. Mineta San José International Airport. The Request for Proposal (RFP) was advertised on the City's Bid Line website and the Demand Star bid notification system. In addition, this solicitation was emailed directly to six companies within the elevator and escalator maintenance services industry.

Twelve companies requested the RFP of which four attended the non-mandatory pre-proposal conference and walk-through held on February 16, 2007. Three companies submitted a proposal by the March 2, 2007 deadline. Proposals submitted by Kone Inc. and Schindler Elevator Corporation were found to be responsive while the proposal submitted by ThyssenKrupp Elevator Company did not meet minimum qualifications, as they did not provide any of the required RFP submittal documents with their proposal.

The proposal evaluation consisted of a thorough review of each company's written proposal for Technical Approach, Quality of Proposal, and Cost which were weighted as follows:

Evaluation Factor	Weight
Technical Approach	30%
Quality of Proposal	30%
Cost	30%
Local Business Preference	5%
Small Business Preference	5%

A three-member evaluation panel that consisted of representatives from the Aviation Department evaluated the written proposals for technical capability and quality of proposal. Prior to receiving proposals, all panel members were required to sign a confidentiality agreement and a conflict of interest form. No conflicts of interest were identified. Cost proposals were evaluated independently by Finance and scores were not disclosed to the evaluation team to ensure an unbiased evaluation of the technical aspects of the proposals.

Kone Inc. and Schindler Elevator Corporation were invited to participate in oral presentations. The oral interviews served to validate the technical and quality elements of the proposals allowing for adjustments to the written response scores. Results of those interviews revealed that Kone Inc. did not include daily inspection services for the Airport's escalators as required by the RFP specifications. This omission, which was verified via email with Kone's project

representative, resulted in an incomplete cost proposal. Therefore, Kone Inc. was eliminated from consideration for not providing a proposal that included all requirements.

The Notice of Intended Award, which starts the protest period for the recommendation of award started May 22, 2007 allowing interested parties in the procurement to submit a protest to the attention of the Chief Purchasing Officer within ten days of the notice. Any protest received and the respective resolution will be communicated to Council in a supplemental memo.

The proposed contract provides for the routine maintenance of the existing elevators and escalators at the Airport. In addition, special repairs and service is also available from the Contractor. All work will be paid at prevailing wage rates. In order ensure adequate performance, the contract includes a performance bond and liquidated damages provision. Because of the changing environment at the Airport due to the construction of the North Concourse and the implementation of the Terminal Area Improvement Program the contract also contains authority for the Director of Finance to add and delete the maintenance of elevators and escalators throughout the term of the contract to allow staff to adjust the service requirements.

Contracting-In

On February 15, 2007, the affected bargaining units concurred that the Scope of Work of the RFP does not provide an opportunity for City employees to provide these services.

Summary

Staff recommends award of the contract to Schindler Elevator Corporation, which submitted the only responsive proposal, for the following reasons:

- Schindler Elevator Corporation met all requirements of the RFP scoring highest on the Technical and Quality aspects of the proposal.
- Schindler Elevator Corporation's cost proposal included all requirements of the RFP.
- Schindler Elevator Corporation presented a detailed management and staffing plan including how they would maintain quality of performance for the Airports elevators and escalators.
- Schindler Elevator Corporation has performed satisfactorily on the current agreement.

POLICY ALTERNATIVES

Not applicable.

PUBLIC OUTREACH/INTEREST

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This item meets Criteria 1 since the estimated cost for the contract over five years exceeds \$1 million. This memorandum will be posted on the City's website for the June 19, 2007 Council Agenda. To outreach to potential contractors, this RFP was advertised on the City's Internet Bid-Line and the Demand Star bid notification system. In addition, the City contacted several elevator and escalator maintenance companies to invite them to participate in this RFP directly.

COORDINATION

This memorandum has been coordinated with the Aviation Department, Public Works/Office of Equality Assurance, the City Manager's Budget Office, and the City Attorney's Office.

FISCAL/POLICY ALIGNMENT

This Council item is consistent with Council approved Budget Strategy Memo General Principle #2, "We must focus on protecting our vital core City services".

COST SUMMARY/IMPLICATIONS

Not applicable.

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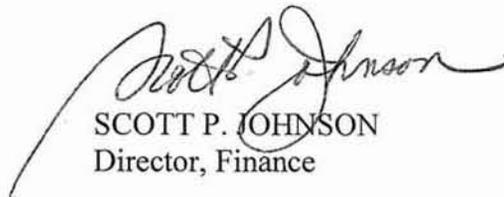
BUDGET REFERENCE

Fund #	Appn #	Appn. Name	Total Appn	Amt. for Contract	2007-2008 Proposed Operating Budget Page	Last Budget Action (Date, Ord. No.)
523	0802	NP/Equip-Airport	\$39,682,372*	\$200,800	XI-3	

- The 2007 – 2008 Proposed Operating Budget and the implementing appropriation ordinance are anticipated to be approved by Council on 6/19/07.

CEQA

Not a project.



SCOTT P. JOHNSON
Director, Finance

For questions please contact Walter C. Rossmann, Chief Purchasing Officer, at (408) 535-7051.