



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

C-16

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October 3, 2006

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt Specifications No. PA-03105 and award contracts to Excelsior Elevator Corporation and Schindler Corporation, in the total estimated annual amount of \$170,000 for the period of one year, with the option to renew for three additional one-year periods, at the discretion of the City Manager. (Citywide)

DISCUSSION

The City owns and operates over 56 elevators (comprising several elevator models by multiple manufacturers) in over 24 facilities that are in various conditions throughout the City. In order to maintain and repair the elevator inventory, the Department of Public Works awarded a sole-source contract to Thyssen-Krupp Elevator Corporation (Thyssen). The original scope of this contract was for the maintenance of 12 elevators, only a portion of the City's total inventory. The limited scope of this original contract led to the proliferation of multiple amendments and separate purchase orders with additional contractors. Along with more expensive contracting mechanisms, the management of elevator assets was decentralized, making proactive, preventive maintenance difficult, if not impossible. The contract with Thyssen expired on September 30, 2006, therefore, City Council approval is being requested to enter into annual contracts to provide consolidated, preventive maintenance, repair, inspection and emergency response services for City elevators at various locations citywide.

In an effort to consolidate as many elevators and facilities as possible under the new contracts, the Department of Financial Management performed an inventory of the elevators within the City's facilities through a solicitation of interest amongst departments. As a result, the requested contracts will provide service to 56 elevators in 24 City facilities.

The City chose to employ a formal bid process to identify the lowest responsible bidder for the requested contract. All bidders were required to participate in a mandatory job-walk and to examine and become fully informed of the conditions of each elevator related to the scope of services. Monthly preventive maintenance, inspections and testing must be performed according to each manufacturer's standards. The specifications allow the City to award by item groups for adequate coverage at the best price (i.e., to award to more than one bidder).

The bid was advertised on June 28, 2006, and 20 potential bidders specializing in elevator maintenance and repair services were notified of the bid opportunity; one is a Minority-owned Business Enterprise (MBE), one is a Women-owned Business Enterprise (WBE), two are Long Beach businesses, and one is a certified Small Business Enterprise (SBE). The bid document was made available from the Purchasing Division located on the Plaza Level of City Hall and

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the Division's website at www.lbpurchasing.org. A bid announcement was also included in the Purchasing Division's weekly update of Open Bid Opportunities, which is sent to 32 local, minority and women's business groups.

Bids were opened on August 3, 2006. Excelsior Elevator Corporation (MBE, WBE, SBE) of Santa Ana, CA, and Schindler Elevator Corporation of Irvine, CA, are the lowest responsible bidders. The requested contracts provide clear performance requirements regarding response time, operational performance, monitoring and reporting. The Department of Public Works will be responsible for the oversight, management and performance reporting of the requested contracts through its City Facility Maintenance Program.

This matter was reviewed by Senior Deputy City Attorney Donna F. Gwin on June 13, 2006 and Budget Management Officer David Wodynski on September 22, 2006.

TIMING CONSIDERATIONS

City Council action to adopt Specifications No. PA-03105 and award contracts concurrently is requested on October 3, 2006 as the contract with Thyssen expired on September 30, 2006.

FISCAL IMPACT

Sufficient funds to cover the cost of these contracts, in the estimated annual amount of \$170,000, are budgeted in the General Fund (GP) and the Department of Public Works (PW). General Fund expenditures will be offset by charges to participating departments and funds. Of the total contract amount, \$135,000 is for scheduled preventive maintenance, while \$35,000 is set-aside for emergency or as-needed repairs. These contracts represent a significant savings to the City on a per unit basis, as the former contract was for a base annual amount of \$149,000 servicing only 12 elevators. Additional savings are expected from the use of centralized oversight and emphasis on preventive maintenance. The City will have the option of adding expenditures up to 10 percent (or \$17,000) above the contract amount.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,


CHRISTINE F. ANDERSEN
DIRECTOR OF PUBLIC WORKS


for MICHAEL A. KILLEBREW
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED


GERALD R. MILLER
CITY MANAGER