

TOWN OF PALM BEACH

Information for Town Council Meeting on: February 13, 2018

TO: Mayor and Town Council

VIA: Thomas G. Bradford, Town Manager

FROM: H. Paul Brazil, P.E., Director of Public Works

RE: Rescind Resolution No. 174-2017 and Withdraw Authorization of Purchase Orders for Elevator Maintenance and Repair Contract from KONE and Award of RFQ 27-2017 for Elevator Maintenance, Inspections, and Repair to Oracle Elevator Company
Resolution No. 13-2018 – KONE
Resolution No. 14-2018 – Oracle Elevator

DATE: January 23, 2018

STAFF RECOMMENDATION

Town staff recommends that Town Council rescind Resolution No. 174-2017 which awarded a contract and purchase order to KONE for elevator maintenance and repairs through the US Communities Contract (Number PC GENRL-201414653-00).

Staff recommends Town Council approve Resolution No. 14-2018, approving a purchase order and contract for the remainder of FY2018 in the amount of \$40,460 and four (4) subsequent years for elevator maintenance, inspections, and repairs to Oracle Elevator Company for a total of \$89,880.

GENERAL INFORMATION

The Town currently has passenger elevators at five (5) of its facilities. These elevators require preventative maintenance, testing, adjustments, and annual State required inspections. Any necessary repairs are performed on an as-needed-basis. The Town utilized the U.S. Communities contract to obtain elevator maintenance services from KONE and issued a purchase order for these services. The Town has terminated the elevator maintenance contract to KONE due to failure by the vendor to perform services and contract duties.

Prior to pursuing the U.S. Communities contract with KONE, the Purchasing Department issued RFQ number 27-2017 for elevator maintenance and repairs. Bids were received from three (3) vendors and Oracle Elevator Company was identified as the lowest responsive bidder. When KONE failed to perform services and contract duties, Oracle Elevator agreed to honor the established pricing, perform the elevator maintenance and repair services. The annual scope of work remains consistent, which includes all required testing, adjustment, inspections, and repairs.

The maintenance and inspection cost for the remainder of FY2018 is \$5,460. The FY2018 elevator repair budget of \$35,000 includes the replacement of a hydraulic pump for the Town Hall elevator and is included in this budget request, and this task will be negotiated separately. The total cost for FY2018 maintenance and repair is \$40,460.

This contract provides for the option of four (4) twelve (12) month renewals with all original terms, conditions, and pricing. The annual estimated maintenance cost for the remaining four (4) years is \$7,355 per year and would be \$29,420 for the term of the contract. This total includes an assumed optional three percent (3%) cost adjustment per year as per bid documents. The annual repair cost is estimated to be \$5,000 per year for a total cost of \$20,000 for repairs. The cost for maintenance and repairs for the remaining four (4) years is \$49,420 and for the five (5) duration of the contract is estimated to be \$89,880.

FUNDING/FISCAL IMPACT

The contract period from February 2018 to September 30, 2018 will be funded from the approved FY2018 budget. Future services will be funded through approved Public Works budgets. The projected five (5) year allocation is contingent upon annual review and budget approval by the Town Council.

PURCHASING REVIEW

This item has been reviewed by the Purchasing Division and approved as recommended.

TOWN ATTORNEY REVIEW

This Resolution has been reviewed by the Town Attorney and approved for legal form and sufficiency.

Attachments

cc: Jane Struder, Director of Finance
Eric B. Brown, P.E., Assistant Director of Public Works
Brett Madison, Facilities Maintenance Division Manager
Dean Mealy, Purchasing Manager