



AGENDA REPORT

Meeting Date: July 3, 2012
Item Number: G-13
To: Honorable Mayor & City Council
From: Terry Wagner, Facilities Manager
Fred Simonson, Maintenance Operations Manager *F.S.*
Subject: APPROVAL OF AMENDMENT NO. 4 TO AGREEMENT NO. 235-09 BETWEEN THE CITY OF BEVERLY HILLS AND OTIS ELEVATOR COMPANY FOR ELEVATOR MAINTENANCE SERVICE FOR ALL CITY ELEVATORS AND LIFTS; AND
APPROVAL OF A BLANKET PURCHASE ORDER IN AN AMOUNT NOT TO EXCEED \$260,837.00 INCLUDING A CONTINGENCY OF \$19,673.00 TO OTIS ELEVATOR COMPANY

Attachments: 1. Amendment No. 4

RECOMMENDATION

It is recommended that the City Council approve the "Amendment No. 4 to an Agreement between the City of Beverly Hills and Otis Elevator Company for elevator maintenance service for all City elevator and lifts", and approve a blanket purchase order to Otis Elevator Company for Fiscal Year 2012-13 in the amount of \$260,837.00, which includes the 4% Union negotiated labor increase and a CIP materials escalator and a contingency amount of \$19,673.00 for unplanned work.

INTRODUCTION

In June 2009, the City entered into an Agreement with the Otis Elevator Company (Otis) for elevator maintenance services following a competitive public bidding process. The Agreement provided the City an option to extend the contract for up to five (5) years. Staff reviewed the service level and cost provided by Otis for the first three years of the Agreement and staff recommends approval of Amendment No. 4 including the cost escalators and contingency for a not to exceed amount of \$260,837.00 for Fiscal Year 2012-13.

DISCUSSION

Amendment No.1 to the Otis Agreement added maintenance services for the Gardens Building and special one-time equipment at the Camden Garage. Amendment No. 2 paid for annual maintenance services with the 4% escalator for FY 2010/11. Amendment No. 3 includes the costs for annual maintenance services in Fiscal Year 2011-2012 including the contractual escalator and a contingency for Fiscal Year 2011-2012. Total maintenance service is now \$18,569.10 per month including the elevators at the Gardens Building. Amendment No. 4 includes the annual cost escalators and the additional elevators at 450 Crescent, 331 N. Foothill, and 9333 W. Based on spot prices by other elevator contractors, staff believes the Otis agreement is the most cost-effective option at this time. Staff shall proceed with formal bidding for elevator maintenance services at the end of this agreement coinciding with the addition of most of the remaining new elevators consolidated into the City's maintenance responsibility.

FISCAL IMPACT

Funds were budgeted and are available for this purpose in the Facilities Capital Assets Internal Services Fund; Fund 08, Program 0805901, Account No. 73040



Scott G. Miller
Finance Approval



David D. Gustavson
Approved By

Attachment 1

AMENDMENT NO. 4 TO AGREEMENT NO. 235-09 BETWEEN THE CITY OF BEVERLY HILLS AND OTIS ELEVATOR COMPANY FOR ELEVATOR MAINTENANCE SERVICE FOR ALL CITY ELEVATORS AND LIFTS

NAME OF CONTRACTOR: Otis Elevator Company

RESPONSIBLE PRINCIPAL OF CONTRACTOR: Marcus Burton, General Manager

CONTRACTOR'S ADDRESS: 2701 Media Center Drive #2
Los Angeles, California 90065
Attention: Ricardo Castro, General Manager

CITY'S ADDRESS: City of Beverly Hills
455 N. Rexford Drive
Beverly Hills, CA 90210
Attention: Terry Wagner, Facilities Maintenance Manager

COMMENCEMENT DATE: July 1, 2009

TERMINATION DATE: June 30, 2013

CONSIDERATION: Original Agreement: Not to exceed \$12,500.00 per month for FY 2009/10, Cost Escalator for out years, Not to exceed \$150,000.00 Option for four additional years.

Amendment No 1: FY 2009/10: Increase of \$3,152 per month (December 1, 2009-June 30, 2010, Gardens Building) \$27,953.08; and
(Gardens Building) FY 2009/10: \$5,889.08 one-time fee for two (2) protective devices installed at Camden Parking Structure; Total not to exceed \$183,842.16

Amendment No. 2: FY 2010/11: \$3,152 per month (Gardens Building, full year); Union Labor increase (4%), \$7,512.96, \$16,278.00 per month

Total Amendment No. 2: Not to exceed \$195,336.96 for FY 2010/11

Amendment No. 3: \$7,813.24 Union increase Labor (4%) for FY 2011/12 plus a contingency of \$14,790.00 for unforeseen work

Total Amendment No. 3: Not to exceed \$16,929.20 per month for a total annual amount not to exceed \$217,940.40 including contingency

Amendment No. 4: \$9,105.12 Union increase labor (4%) for FY 2012/13, Addition of elevators located at 331 N. Foothill Office building (2) and 9333 W. Third St. garage (2) \$1640.00 per month plus \$400 per month for maintenance of new not in service elevators at 450 Crescent garage, 580.00 per month for operational elevator located at 450 N. Crescent garage (beginning 10/1/2012). Slight decrease from materials index resulting in a \$31.68.00 per mo. reduction. The out-of-service maintenance rate will increase \$100.00 per month on April 1, 2013.

Total Amendment No. 4. Not to exceed \$19,637.00 per month for three months and \$20,217.00 for the remaining nine months plus a \$100.00 per month addition for three months, and a contingency for unanticipated work of \$19,673.00 for a total amount not to exceed \$260,837.00 for FY 2012/13

Section 4. A contingency shall be added of +/- 8% (\$19,173.00) for unforeseen Circumstances outside the Scope of Work set forth in Section 9 of the Agreement.

Section 5. Except as specifically amended by Sections 2, 3 and 4 of Amendment No. 1 and this Amendment No. 4, the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day of _____, 2010, at Beverly Hills, California.

CITY OF BEVERLY HILLS
A Municipal Corporation

William W. Brien, MD.
Mayor of the City of Beverly Hills, California

ATTEST:

_____(SEAL)
BYRON POPE
City Clerk

CONTRACTOR: OTIS ELEVATOR COMPANY

MARCUS BURTON
General Manager

CAROLINE ANDRUKIEWICZ
Authorized Representative

APPROVED AS TO FORM

LAURENCE S. WIENER
City Attorney

APPROVED AS TO CONTENT

JEFFREY KOLIN
City Manager

DAVID D. GUSTAVSON
Director of Public Works & Transportation

KARL KIRKMAN
Risk Manager