

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 19-0098

**AWARD OF CONTRACT NO. 50205, ESCALATOR AND ELECTRIC WALK  
MAINTENANCE, REPAIR, AND ON-CALL SERVICES, TO KONE INC.**

- WHEREAS, the Airport requires regular preventative maintenance, repair, and on-call emergency services for approximately 181 escalators and electric walks to keep the equipment in a safe and reliable condition, and to extend the equipment's life; and
- WHEREAS, on December 18, 2018, by Resolution No. 18-0399, the Commission authorized Staff to issue a Request for Proposals (RFP); and
- WHEREAS, on February 1, 2019, Airport staff issued the RFP; and
- WHEREAS, on March 8, 2019, Airport staff received three proposals and determined that all three proposals met the minimum qualifications of the RFP; and
- WHEREAS, the Airport convened a selection panel to review and score the proposals based on the criteria outlined in the RFP. After dividing each bid by the proposer's score, KONE Inc. was determined to be the highest ranked proposer; and
- WHEREAS, KONE Inc. was determined to be the highest ranked proposer eligible for award; now, therefore, be it
- RESOLVED, that the Commission hereby awards Contract No. 50205, Escalator and Electric Walk Maintenance, Repair, and On-Call Services, to KONE Inc., in an amount not to exceed \$9,765,600 for a two-year term commencing July 1, 2019.

*I hereby certify that the foregoing resolution was adopted by the Airport Commission  
at its meeting of*

MAY - 7 2019

  
Secretary



**MEMORANDUM**  
May 7, 2019

TO: AIRPORT COMMISSION  
Hon. Larry Mazzola, President  
Hon. Linda S. Crayton, Vice President  
Hon. Eleanor Johns  
Hon. Richard J. Guggenlime  
Hon. Malcolm Yeung

19-0098  
MAY - 7 2019

FROM: Airport Director

SUBJECT: Award of Contract No. 50205 for Escalator and Electric Walk Maintenance, Repair, and On-Call Service to KONE Inc.

DIRECTOR'S RECOMMENDATION: AWARD OF CONTRACT NO. 50205, ESCALATOR AND ELECTRIC WALK MAINTENANCE, REPAIR, AND ON-CALL SERVICE TO KONE INC., IN AN AMOUNT NOT TO EXCEED \$9,765,600 FOR A TWO-YEAR TERM COMMENCING JULY 1, 2019, WITH A POTENTIAL THREE-YEAR RENEWAL.

**Executive Summary**

Attached for this Commission's consideration is a resolution awarding Contract No. 50205 for Escalator and Electric Walk Maintenance, Repair, and On-Call Service to KONE Inc. This contract will provide services to be performed 24 hours per day, 7 days a week, and 365 days per year for maintenance, repair, parts, and emergency services for approximately 181 escalators and electric walks at the Airport.

**Background**

By Resolution No. 18-0399, dated December 18, 2018, this Commission authorized a Request for Proposals (RFP) for Contract No. 50205 to provide regular preventative maintenance, repair, and on-call services on a campus-wide basis for all escalators and electric walks at the Airport.

On December 26, 2018, the Contract Monitoring Division approved a waiver of the Administrative Code Chapter 14B Local Business Enterprise subcontracting requirements due to the absence of any subcontracting opportunities.

On February 1, 2019, Airport staff issued the RFP. The RFP provided for a fixed "all-inclusive" monthly rate covering all maintenance activities, equipment, supplies, permits, and any related costs, with an initial contract term of two years plus a potential single three-year renewal of services,

THIS PRINT COVERS CALENDAR ITEM NO. 2

exercisable at the discretion of this Commission. Airport staff will use the initial contract term to monitor and evaluate the quality of the services provided and determine the viability of the “all-inclusive” approach. Should the contractor and contract mechanism be deemed acceptable, Airport staff will return to this Commission with a recommendation to renew the contract for three years at a new monthly rate, escalated in accordance with existing requirements and against the appropriate inflation indexes.

The Airport used the best value procurement process to rank the proposers. Best value procurements are authorized under a recent amendment to San Francisco Administrative Code Chapter 6. The best value process allows for award of a contract to the responsible bidder whose responsive bid provides the best value to the City. Bidders submit both a sealed bid and qualitative information for evaluation by a selection panel. To determine best value, the department divides each bid by the qualitative score received from the panel; the quotient is the “cost per quality point.” The bidder offering the greatest value to the Airport—or the lowest quotient of cost and quality—is then recommended for award.

On February 12, 2019, Airport staff conducted the pre-proposal conference which was attended by four companies.

On March 8, 2019, Airport staff received three proposals and all three proposals were determined to have met the minimum qualifications of the RFP. Staff convened a selection panel consisting of one Airport Commission employee, one employee from another City & County of San Francisco Department, and one employee from another airport.

Based on the bids and the panel’s review, the firms were ranked as follows:

Rank and Proposer	Bid Amount	Evaluation Score	Best Value Quotient (\$/Point)
1. KONE Inc.	\$ 9,765,600.00	637	15,330.61
2. Schindler Elevator Co.	\$14,837,393.28	623	23,816.04
3. thyssenkrupp Elevator Corp.	\$31,741,872.00	681	46,610.68

Some disparity in proposer bid amounts may be attributable to the firms’ individual core business assumptions, their ability to replace parts on aging equipment, and how they achieve 24/7 staffing.

On March 29, 2019, Airport staff issued their notice of intent to award this contract. The five working-day protest period expired on April 5, 2019. No protests were filed.

### **Recommendation**

I recommend the Commission award Contract No. 50205 for Escalator and Electric Walk Maintenance, Repair, and On-Call Service to KONE Inc. in an amount not to exceed \$9,765,600 for a two-year term commencing July 1, 2019.



Ivar C. Satero  
Airport Director

Prepared by: Leroy P. Sisneros  
Director of Facilities