



MEMORANDUM

May 7, 2019

19-0099

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

MAY - 7 2019

FROM: Airport Director

SUBJECT: Award of Contract No. 50204 for Elevator Maintenance, Repair, and On-Call Service to thyssenkrupp Elevator Corporation

DIRECTOR'S RECOMMENDATION: AWARD OF CONTRACT NO. 50204, ELEVATOR MAINTENANCE, REPAIR, AND ON-CALL SERVICE TO THYSSENKRUPP ELEVATOR CORPORATION, IN AN AMOUNT NOT TO EXCEED \$9,682,912 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. 50204 for Elevator Maintenance, Repair, and On-Call Service to thyssenkrupp Elevator Corporation. 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 184 elevators at the Airport.

Background

By Resolution No. 18-0398, dated December 18, 2018, this Commission authorized a Request for Proposals (RFP) for Contract No. 50204 to provide regular preventative maintenance, repair, and on-call services on a campus-wide basis for all elevators 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 January 31, 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,

THIS PRINT COVERS CALENDAR ITEM NO. 3

with an initial contract term of two years plus a potential single three-year renewal of services, 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.

Additionally, this RFP was issued concurrently with the RFP for Contract No. 50205 for Escalator and Electric Walk Maintenance, Repair, and On-Call Service. As stated in both RFPs, the Airport’s intent was to award the two contracts to two separate contractors to maintain the required level of service, and any proposers bidding on both RFPs were required to submit with their proposal a letter stating their first choice between Contracts No. 50204 and 50205. A firm achieving the highest rank for both RFPs would be awarded their first choice contract, and the remaining contract would be awarded to the proposer with the next highest rank on the corresponding RFP.

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.	\$ 7,818,136.00	635	12,312.03
2. thyssenkrupp Elevator Corp.	\$ 9,682,912.00	681	14,218.67
3. Schindler Elevator Co.	\$12,476,596.24	626	19,930.66

KONE Inc. was determined to be the highest ranked proposer with the lowest best value quotient for both Contracts No. 50204 and 50205. At the time of proposal, KONE Inc. identified Contract No. 50205 as its first choice, and as the next highest ranked proposer, thyssenkrupp Elevator Corporation was eligible for award of Contract No. 50204.

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. 50204 for Elevator Maintenance, Repair, and On-Call Service to thyssenkrupp Elevator Corporation in an amount not to exceed \$9,682,912 for a two-year term commencing July 1, 2019.



Ivar C. Satero
Airport Director

Prepared by: Leroy P. Sisneros
Director of Facilities

Attachment