



Board Agenda Item 31

DATE: February 25, 2025

TO: Board of Supervisors

SUBMITTED BY: Edward Hill, Chief Operating Officer/ Interim Director of Internal Services/Chief Information Officer

SUBJECT: Agreement with TK Elevator Corporation

RECOMMENDED ACTION(S):

- 1. Approve and authorize the Chairman to execute an Agreement with TK Elevator Corporation for elevator maintenance, inspection and repair services, effective upon execution, for a potential five-year term, including an initial three-year term with two optional one-year extensions, total not to exceed \$7,000,000; and**
- 2. Authorize the Director of Internal Services/Chief Information Officer, or their designee, to add and/or remove equipment pursuant to the methodology described in the recommended Agreement as operational needs require, with no change to the maximum compensation.**

There is no additional Net County Cost associated with the recommended actions. The first recommend action will allow the Internal Services Department, Facility Services Division (ISD-Facility Services) to contract with TK Elevator Corporation (TKE) for elevator maintenance, inspection and repair services at all County-owned facilities with elevators.

The second recommended action will allow the Director of Internal Services/Chief Information Officer (Director), or their designee, to add and/or remove elevator equipment from the recommended Agreement as operational needs require with no change to the maximum compensation. This item is countywide.

ALTERNATIVE ACTION(S):

Should your Board not approve the recommended Agreement, ISD-Facility Services would be without an efficient method of obtaining elevator maintenance, inspection and repair services.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The maximum compensation for the recommended Agreement is \$7,000,000 and will be funded by chargebacks to user departments. Sufficient appropriations and estimated revenues are included in the ISD-Facility Services Org 8935 FY 2024-25 Adopted Budget and will be included in future Recommended Budget requests for the duration of the Agreement term.

DISCUSSION:

On October 29, 2024, the Internal Services Department, Purchasing Division (ISD-Purchasing) released Request for Quotation (RFQ) No. 25-023 requesting bids from qualified vendors for elevator maintenance

and repair services. This includes monthly services to examine, adjust, lubricate, and potentially repair or replace, all components of an elevator, including but not limited to the controller, motor, car, machine, pump unit. In addition to scheduled monthly services, the vendor also was required to provide a rate for non-routine and emergency services. ISD-Purchasing received two quotes by the closing date and a tentative award was issued to TKE on December 3, 2024, for providing the lowest responsive bid.

The recommended Agreement is for a potential five-year term, consisting of an initial three-year term with two optional one-year extensions. The total compensation for the initial three-year term is \$4,200,000. In the event the contract is extended to Years four and five the total compensation will increase to \$5,600,000 and \$7,000,000, respectively. In no event shall the potential five-year costs of the recommended agreement exceed \$7,000,000.

The recommended Agreement with TKE deviates from the County's standard language as it includes language stating that, subject to damages resulting out of indemnification obligations, neither TKE nor the County shall be liable for indirect, special, liquidated, incidental, exemplary or consequential damages, the loss of use, income, or opportunity, or other similar remote damages or penalties. The Human Resources Department - Risk Management Division reviewed these provisions and recommends the Agreement not include this language; however, ISD-Facility Services believes that the risks associated are an acceptable business risk due to the nature of services being provided. This clause will protect the County, alongside TKE, from extensive liabilities except in cases already agreed upon in the indemnification section.

Approval of the recommended Agreement will allow ISD-Facility Services to obtain elevator maintenance, inspection and repair services from TKE, which will ensure elevator operations are sustained countywide.

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Agreement with TKE

CAO ANALYST:

Amy Ryals