

STATE OF HAWAII
HAWAII COMMUNITY DEVELOPMENT AUTHORITY
KAKAAKO

Honolulu, Hawaii, 96813

Wednesday, July 11, 2018

Chairperson and Members
Hawaii Community Development Authority
State of Hawaii
Honolulu, Hawaii

HCDA Board Members:

SUBJECT:

Shall the Authority Authorize the Interim Executive Director to Execute a Contract with Elevator Services LLC for Elevator Maintenance and Repair Services at the American Brewery Building for a Three-Year Term Plus Two One-Year Options to Extend in an Amount Not to Exceed \$63,080 from the Hawaii Community Development Revolving Funds, Leasing and Management Subaccount?

SUMMARY:

HCDA's current elevator maintenance contract for its office expires on June 30, 2018. HCDA issued a solicitation for a new vendor and requests to award a new contract to the lowest, responsive, responsible bidder.

AUTHORITIES:

At the August 3, 2016, General Meeting, the Board indicated it would like to review and approve all procurement requests over \$25,000.

BACKGROUND:

The Hawaii Community Development Authority (HCDA) office headquarters is located at the American Brewery Building (ABB) at 545 Queen Street. The ABB has one hydraulic passenger elevator that was installed in 1995 and refurbished prior to the HCDA moving into the ABB in 2015. This elevator services all five floors of the ABB and is necessary for the continued operation of the HCDA office.

HCDA's current elevator maintenance contract with KONE Inc. is set to expire on June 30, 2018. The KONE contract was a one-year contract executed in July 2015 and included two one-year options to extend. The HCDA currently pays KONE \$350.00 a month for elevator maintenance services, for a total contract price worth \$27,600.00 over the three-year term.

This price includes a \$5,000 annual allowance for non-routine, emergency repairs. There are no extension options remaining.

On May 17, 2018, the HCDA issued an Invitation for Bids (IFB) for furnishing inspection, maintenance, and repair services for one hydraulic passenger elevator at ABB for a three-year initial term with two additional one-year options to extend. The Scope of Work is the same as the previous contract, and the Contractor shall furnish all labor, materials, parts, tools, lubricants, equipment, required elevator documentation (i.e. service manuals, instructions, etc.), transportation and supervision necessary for the complete inspection, maintenance, testing, trouble calls and repair services of the elevator located at the ABB. The Contractor shall provide monthly, quarterly, semi-annual, and annual maintenance services for the elevator as a part of their contract and shall also respond to any and all emergency calls with a trapped passenger within one hour. The new contract will also include a \$10,000 allowance for authorized extra work and parts, should the elevator require any non-routine or emergency repairs.

The HCDA received four (4) responsive, responsible bids by the May 30, 2018 deadline. The bids were as follows:

- Elevator Services LLC = \$218 per month (\$7,848 for initial three-year term)
- Centric Elevator = \$283 per month (\$10,188 for initial three-year term)
- KONE Inc. = \$288 per month (\$10,368 for initial three-year term)
- Heide & Cook, LLC = \$298 per month (\$10,728 for initial three-year term)

ANALYSIS:

Elevator Services LLC provided the lowest responsive, responsible bid with a price of \$218 per month (\$2,616 per year). This bid price equates to \$7,848 for initial three-year term, or \$13,080 for the maximum five-year term if both options to extend are exercised.

A \$10,000 annual allowance is added to the above bid price to form the total maximum expenditure of \$63,080 over a maximum five-year term. Any spending from the allowance must be pre-approved by the HCDA.

RECOMMENDATION:

HCDA staff recommends that the Board:

Authorize the Interim Executive Director to Execute a Contract with Elevator Services LLC for Elevator Maintenance and Repair Services at the American Brewery Building for a Three-Year Term Plus Two One-Year Options to Extend in an Amount Not to Exceed \$63,080 from the Hawaii Community Development Revolving Funds, Leasing and Management Subaccount.

APPROVED FOR SUBMITTAL:



Garrett Kamemoto, Interim Executive Director
Hawaii Community Development Authority