

County of Santa Clara
Santa Clara Valley Health & Hospital System
Agency Administration
Facilities




HHS11 022409

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Executive Director, SCVMC Hospital &
Ancillary Services
Jenti Vandertuig
Director of Procurement

DATE: February 24, 2009

TO: Board of Supervisors

FROM: 
Kim Roberts
SCVHHS - Chief Executive Officer

SUBJECT: Delegate Authority to Director of Procurement to Execute Agreement with Kone, Inc. for Elevator Maintenance and On-Call Service and Minor Repairs at Santa Clara Valley Health and Hospital System

RECOMMENDED ACTION

Approve delegation of authority to Director of Procurement, or designee, to negotiate, execute and amend an agreement with Kone, Inc. relating to providing elevator maintenance and on-call service and minor repairs in an amount not to exceed \$349,664 for period January 1, 2009 through December 31, 2011, with option to extend the agreement by two additional one-year terms, following approval by County Counsel as to form and legality, and approval by the Office of the County Executive. Delegation of authority shall expire on December 31, 2013.

FISCAL IMPLICATIONS

There is no impact to the General Fund as a result of this action. Funds for elevator maintenance services and minor repairs are included in the Santa Clara Valley Medical Center (SCVMC) budget.

CONTRACT HISTORY

On June 22, 1999, the Board approved a Resolution allowing the Director of Procurement to enter into elevator maintenance contracts on behalf of the Santa Clara Valley Health and Hospital System (SCVHHS) in an amount not to exceed \$450,000.

In February of 2000, rather than bidding the elevator service agreements on a building by building basis, SCVHHS solicited bids for all elevator service contracts on the Santa Clara Valley Medical Center campus simultaneously. This approach simplified contractual and administrative procedures. The Facilities Department experienced a cost-savings by collectively bidding one contract. The Request for Proposals was extended to elevator maintenance companies and ultimately the contract was awarded to Montgomery Kone, Inc.

The Director of Procurement executed a three year elevator maintenance and service contract with Montgomery Kone, Inc. (now known as Kone, Inc.) in the amount of \$230,000 for the contract term of March 1, 2000 to February 28, 2003 and subsequently extended the agreement through February 28, 2005.

On April 19, 2005, the Board approved a three year contract with a vendor to be determined through a competitive bid process in the amount of \$750,000 for period July 1, 2005 through June 30, 2008, with an option to extend for the agreement by two additional years. However, the Procurement Department was unable to post the solicitation and the services were procured on a month-to-month basis through December 2007. The Procurement Department then established a one-year fixed pricing agreement with Kone, Inc. for the period January 1, 2008 through December 31, 2008.

This is a Type II contract, subject to the Resolution of Contracting Principles adopted by the Board of Supervisors on October 28, 1997. The documentation is on file with the department.

REASONS FOR RECOMMENDATION

On November 3, 2008, the Procurement Department posted a solicitation on Bidsync.com for qualified contractors to provide maintenance and on-call service and repair for the elevators on the SCVMC campus. The agreement with Kone, Inc. was extended on a month-to-month basis until the completion of this process. Three responses were received and Kone, Inc. was the lowest responsive and responsible bidder. Approval of the recommended action will allow the Procurement Department to execute the elevator maintenance agreement with Kone, Inc.

CONSEQUENCES OF NEGATIVE ACTION

Failure to approve the recommended action may impact elevator maintenance and service repairs on the SCVMC campus.

STEPS FOLLOWING APPROVAL

Provide Keyboard notification to the Duane Oberquell, Director of SCVHHS Facilities and Jenti Vandertuig, Director of Procurement.

ATTACHMENTS

- Services Contract - Kone