Minute No. 266
Report - Standing Policy Committee on Infrastructure Renewal and Public Works - March 7, 2006

Item No. 1 Award of Contract - Renovations and Service Agreement for Elevators at 299 Fort Street, Winnipeg Square Parking Garage File GL-9

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Infrastructure Renewal and Public Works and submits the following to Council:

1. That the bid submitted by ThyssenKrupp Elevator be determined to be non-responsive.

2. That a contract be awarded to Kone Inc. for Renovations and Full Maintenance Service Agreement Contract for Elevators at 299 Fort Street, Winnipeg Square Parking Garage (Bid Opportunity No. 733-2005) in the amount of $192,323.00 GST extra as applicable, the responsible and qualified Bidder submitting the lowest evaluated responsive bid.

3. That the Chief Administrative Officer be delegated the authority to approve future multi-year contracts for the maintenance of elevators not to exceed five years and the Chief Administrative Officer's monetary award limit.

4. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Minutes - Executive Policy Committee – March 15, 2006

Report - Standing Policy Committee on Infrastructure Renewal and Public Works – March 7, 2006

DECISION MAKING HISTORY:

Moved by Councillor Clement,

That the recommendation of the Standing Policy Committee on Infrastructure Renewal and Public Works be concurred in and forwarded to Council.

Carried

STANDING COMMITTEE RECOMMENDATION:

On March 7, 2006, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the administrative recommendation and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

RE: AWARD OF RENOVATIONS AND FULL MAINTENANCE SERVICE AGREEMENT CONTRACT FOR ELEVATORS AT 299 FORT STREET, WINNIPEG SQUARE PARKING GARAGE BID OPPORTUNITY 733-2005

FOR SUBMISSION TO:	**STANDING POLICY COMMITTEE ON INFRASTRUCTURE RENEWAL AND PUBLIC WORKS**
ORIGINAL REPORT SIGNED BY:	**L.S.W. LARKIN, P. Eng. Director of Public Works Department**
REPORT DATE:	**February 23, 2006**

RECOMMENDATION(S):

1. That the bid submitted by ThyssenKrupp Elevator be determined to be non-responsive.
2. That a contract be awarded to Kone Inc. for Renovations and Full Maintenance Service Agreement Contract for Elevators at 299 Fort Street, Winnipeg Square Parking Garage (Bid Opportunity No. 733-2005) in the amount of $192,323.00 GST extra as applicable, the responsible and qualified Bidder submitting the lowest evaluated responsive bid.
3. That the Chief Administrative Officer be delegated the authority to approve future multi-year contracts for the maintenance of elevators not to exceed five years and the Chief Administrative Officer's monetary award limit.

REPORT SUMMARY:

Key Issues:

- Elevator maintenance is a regulatory requirement.
- This contract includes cab modernization and barrier free access upgrades to improve service and to meet the City of Winnipeg's Accessibility Policy.
- The proposed Contract is for a term of six (6) years plus ten (10) months.

Implications of the Recommendation(s):

General Implications:

- [ ] None
- [x] For the organization overall and/or other departments
- [ ] For the community and/or organizations external to the City
- [x] Involves a multi-year contract

Comments:
The contract is for a term of six (6) year plus ten (10) months and will impact public use of the elevators at this location.

Policy Implications:

- [x] No
- [ ] Yes

Comments:

Environmental Implications:

- [ ] No
- [x] Yes

Comments:
The implementation of the cab renovation will meet the City of Winnipeg's Accessibility Policy and provide a positive environmental change for the citizens of Winnipeg.

Human Resource Implications:

- [x] No
- [ ] Yes

Comments:

Financial Implications:

- [x] Within approved current and/or capital budget
- [ ] Current and/or capital budget adjustment needed

Comments:
The contract is for a term of six (6) years plus ten (10) months. The total cost of the contract is $192,323.00 and has been budgeted in account number 384-539940-639231-999.

REASON FOR THE REPORT:

As the total conditional amount to be paid by the City is estimated to be approximately $192,323.00, plus GST, and the contract is for a purchase that obligates the City to expenditures on future budgets, Council may approve the award of contract pursuant to B 8.2.3 of the Materials Management Policy.

HISTORY:

In December 2005 the Public Works Department initiated the tender call for elevator maintenance and renovation service at the 299 Fort Street, Winnipeg Square Parking Garage.

DISCUSSION:

The bids are open for acceptance until April 5, 2006,

In response to the Bid Opportunity call, three (3) companies returned bids.

The bid submitted by Otis Canada, Inc. was at a higher cost to the City of Winnipeg.

The bid submitted by ThyssenKrupp Elevator was the lowest bid but should be declared non-responsive as their bid included an attachment that altered the specifications and conditions listed within the Bid Opportunity. These discrepancies are significant and should not be waived.

The bid submitted by Kone Inc. is the low responsive bid.

The Contract Administrator is of the opinion that Kone Inc. has the necessary resources and experience to perform all of the work in accordance with the specifications.

The terms of the contract specify elevator maintenance services, cab interior renovations, and hydraulic cylinder replacements. The renovation and maintenance service is to commence March 1, 2006 and continue until December 31, 2006. The maintenance service contract is for a six (6) year term starting January 1, 2007 and ending December 31, 2012.

Location	Building Description	Renovation Price	Full Maintenance Price	Successful Bidder
299 Fort Street	Parking Garage	$151,467.00 (plus GST)	$40,856.00	Kone Inc.

Total cost for the full term of the contract is $192,323.00 plus GST. This includes $151,467.00 for renovations and $40,856.00 for full maintenance service. This amount has been budgeted in account number 384-539940-639231-999.

Clause D2 of the Supplemental Conditions allows that, in the event of operational changes, resulting in substantial changes to the requirements to the Work, the City reserves the right to terminate the Contract upon thirty (30) days notice by the Contract Administrator and allows for the termination of the “Service Agreement” in the event of the building closure or modernization of existing elevator equipment.

In such an event, no claim may be made for damages on the loss of anticipated profit on Work.

The Bid Opportunity requires 50% Performance Security to be maintained until the expiration of the warranty period.

The requirements for bid security and the execution of a formal contract were waived for this purchase in accordance with the authority delegated to the Manager of Materials pursuant to Administrative Directive FM-002.

Financial Impact Statement

Date: February 7, 2006

Project Name: **First Year of Program** **2006**

AWARD OF RENOVATIONS AND FULL MAINTENANCE SERVICE AGREEMENT CONTRACT FOR ELEVATORS AT 299 FORT STREET, BID OPPORTUNITY 733-2005

	2006	2007	2008	2009	2010
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 151,467	$ 6,480	$ 6,480	$ 6,804	$ 6,804
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 151,467	$ 6,480	$ 6,480	$ 6,804	$ 6,804
Less: Existing Budget Amounts	151,467	6,480	6,480	6,804	6,804
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: The service contract is for a six (6) years plus ten (10) months. The total cost of the contract is $192,323.00 and has been budgeted in account number 384-539940-639231-999.

"Original signed by D. Stewart"
Manager of Finance & Administration

Approved by Supervisor of Financial Services: ✔

IN PREPARING THIS REPORT THERE WAS CONSULTATION WITH, AND CONCURRENCE BY:

Winnipeg Parking Authority
Legal Services Division, Corporate Services Department
Materials Management, Corporate Finance Department

THIS REPORT SUBMITTED BY:

Department:	Public Works Department	
Division:	Building Services Division	
Prepared by:	Stan Russell, Supervisor of Project Services	986-4368