



Legislation Details (With Text)

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Title: RFB 1088
Preventative Maintenance, Service and Repair for all GLWA Elevators

Sponsors: Cheryl Porter

Indexes: Water Operations

Code sections:

Attachments: 1. RFB 1088 for Preventative Maintenance Elevators Cost Savings FINAL, 2. RFB 1088 Statements of No Bid FINAL, 3. RFB 1088 Preventative Maint & Repair of GLWA Elevators Bid Tab

Date	Ver.	Action By	Action	Result
11/29/2017	1	Board of Directors	Approved	Pass
11/8/2017	1	Operations and Resources Committee	Recommended for Approval	Pass

RFB 1088
Preventative Maintenance, Service and Repair for all GLWA Elevators

Agenda of: November 29, 2017
Item No.: **2017-437**
Amount: \$1,407,954.48

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Sue F. McCormick
Chief Executive Officer
Great Lakes Water Authority

DATE: October 31, 2017

RE: **Contract No.: RFB 1088**
Preventative Maintenance, Service and Repair for all GLWA Elevators
Vendor: ThyssenKrupp Elevator Co.

MOTION

Upon recommendation of Cheryl Porter, Chief Operating Officer - Water and Field Services, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), authorizes the Chief Executive Officer (CEO) to **enter into Contract No. RFB 1088, "Preventative Maintenance, Service and Repair for all GLWA Elevators" with ThyssenKrupp Elevator Co., at a cost not to exceed \$693,504.00 for a duration of two (2) years with two (2) one (1) year renewal options, at \$353,689.68 for renewal year one and \$360,760.80 for renewal year two; and** authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

GLWA Request for Bid (RFB) 1088 is needed to provide preventative maintenance, service, and repair for all GLWA elevators to be compliant with the local elevator code ordinance, and meet health and safety requirements as well as operational and maintenance needs.

The work performed by the vendor under the specifications of RFB 1088 shall consist of furnishing all material, labor, tools, supplies, and other expenses necessary to provide full service, preventative maintenance, covered repairs, inspections, adjustments, tests and replacement of parts specified for all equipment covered. Repairs that are not a part of routine maintenance are not included in the contract amount of \$1,407,954.48 and are estimated to be between \$300,000.00 and \$400,000.00 per contract year and will be performed by ThyssenKrupp Elevator Co.

No. of Elevators by Facility

<u>Facility</u>	<u>Elevators</u>
Water Resource Recovery Facility (WRRF), includes 4 manlifts	20
Springwells Water Treatment Plant (SPW)	4
Livernois Center (Industrial Waste Control)	2
Oakwood Combined Sewer Overflow	2
Water Works Park (WWP)	5
Northeast Water Plant (NEP)	3
Northeast Sewer (NES)	2
Freud Sewage Station	1
Conner Creek Sewage Station	1
Conner Creek Combined Sewer Overflow	1
Woodmere Pump Station	1
Total	42

JUSTIFICATION

RFB 1088 is necessary to continue the preventative maintenance and repair program for all GLWA elevators. This agreement presents a cost savings of \$144,365.52 over four years against the previous agreement.

Procurement Method: Competitively bid - Request for Bid (RFB)

Advertised: June 23, 2017
BidnetDirect (Michigan Inter-governmental Trade Network (MITN)) website

Distributed to: 50 vendor(s)

Courtesy Notification (via email): 4

Downloaded by: 3 vendor(s)

Response due date: July 21, 2017

Responses received: 1 vendor submitted bid

No Bid Statements: 3 (see attached)

GLWA staff recommends that a contract be awarded to the sole bid received that met all of the GLWA specifications, ThyssenKrupp Elevator Co., at a cost not to exceed \$693,504.00 for a duration of two (2) years, with two (2) one (1) year renewal options at \$353,689.68 for renewal year one, and \$360,760.80 for renewal year two.

<u>Term</u>	<u>Amount</u>
First Two Years	\$693,504.00
Renewal Year One	353,689.68
Renewal Year Two	360,760.80
Total	\$1,407,954.48

Financials

A financial risk assessment was performed by the GLWA via Dun & Bradstreet and was determined that the selected vendor has the financial capacity to perform the tasks under this contract. This information is available for the Board of Directors to review upon request.

BUDGET IMPACT

The proposed Preventative Maintenance Service contract for GLWA elevators is included in the approved Fiscal Year 2018 - 2022 five-year plan. The proposed contract amount of \$1,407,954.48 is within the requested budget. The elevator maintenance expense is recorded in Facility Operations cost center (882421) in account #5910-882421.000-617200-WS7420.

	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
Five Year Plan	\$1,256,000.00	\$1,000,000.00	\$1,000,000.00	\$1,000,000.00
Less:				

Base Contract	\$346,752.00	\$346,752.00	\$353,689.68	\$360,760.80
Estimated Repairs Average	\$350,000.00	\$350,000.00	\$350,000.00	\$350,000.00
Positive Five Year Plan Variance	\$559,248.00	\$303,248.00	\$296,310.32	\$289,239.20

The positive five year plan variance in the table above is a combination of a) actual cost savings on base contract, b) optimized cost projections for hourly rates for repairs, and c) improved knowledge of elevator system needs garnered over the past few years.

SAVINGS, COST OPTIMIZATION, AND REVENUE ENHANCEMENT IMPACT

This contract provides savings of \$144,365.52 over four years compared to the previous agreement for the base contract rate. Further **cost optimization** will be achieved through the reduction in hourly rates for repairs as listed below:

- Mechanic (straight and premium) \$11.00 per hour
- Mechanic (weekend/holiday) \$22.00 per hour
- Helper (straight and premium) \$5.00 per hour
- Helper (weekend/holiday) \$10.00 per hour

See attached “RFB 1088 Preventative Maintenance, Service and Repair of GLWA Elevators Cost Savings and Optimization Summary”.

COMMITTEE REVIEW

This matter was reviewed by the Operations and Resources Committee at its meeting on November 8, 2017. The Operations and Resources Committee unanimously recommended that the GLWA Board adopt the resolution as presented.

SHARED SERVICES IMPACT

This item does not impact the shared services agreement between GLWA and DWSD.