

Date: January 25, 2023

To: Board of Directors

From: Sam Desue, Jr.

Subject: RESOLUTION NO. 23-01-01 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A CONTRACT MODIFICATION WITH KONE, INC. (KONE) FOR ELEVATOR AND LIFT MAINTENANCE AND REPAIR SERVICES

1. Purpose of Item

This Resolution requests that the TriMet Board of Directors (Board) authorize the General Manager or his designee to execute a contract modification (Modification) with KONE, Inc. (KONE) for elevator and lift maintenance and repair services (Services).

2. Type of Agenda Item

- Initial Contract
- Contract Modification
- Other _____

3. Type of Contract Procurement

- Low Bid / Invitation to Bid (ITB)
- Request for Proposals (RFP) (inc. CM/GC)
- Request for Qualifications (RFQ) (Personal Services)
- Other (inc. sole source) _____

4. Reason for Board Action

Board authorization is required for all contract modifications causing contract amounts to exceed amounts previously authorized by the Board.

5. Type of Action

- Resolution
- Ordinance 1st Reading
- Ordinance 2nd Reading
- Other _____

6. Background

Within TriMet’s 533 square-mile service area, there are numerous facilities, transit centers, and Park & Rides that contain elevators and/or lifts. In March 2020, by Resolution No. 20-03-15, the Board authorized execution of a five-year contract with KONE for the Services, in the amount of \$1,409,087.

Under the contract's Scope of Work, KONE is required to:

- Provide a comprehensive maintenance program to maximize the performance, safety, and life span of all elevator and lift equipment;
- Provide all testing required by the State of Oregon Elevator Inspection Department, the American Society of Mechanical Engineers (ASME) A17.1 Safety Code for Elevators, and all applicable law, including yearly no-load and five-year full-load testing of all traction elevators;
- Provide annual testing of all hydraulic elevators whose cylinders are not encased in PVC;
- Regularly and systematically examine, clean, lubricate, adjust and provide unlimited callback service, repair, and replacement of all elevator components;
- Regularly and systematically examine, clean, and lubricate all lift components;
- Maintain three (3) complete sets of wiring diagrams showing as-built conditions with any changes or modifications to circuits resulting from control modifications, parts replacement, or equipment upgrades;
- Provide TriMet with appropriate service manuals, adjusting manuals, and technical manuals for all elevator and lift equipment at each facility;
- Provide quarterly inspections and testing of the Firefighter's Service Phase I and Phase II and standby power operation, if installed;
- Provide annual testing of all dispatching systems to ensure that all circuits and time settings are properly adjusted and all systems are performing as designed and installed;
- Provide labor to assist TriMet with annual smoke detector testing and scheduled generator testing; and
- Perform audits on all elevator and lift equipment once per year.

To date, unanticipated demand for the Services has consumed more than \$1,284,400 of the contract amount, mostly due to vandalism. Given the accelerated depletion of the contract amount, Facilities intends to initiate a procurement to replace the current contract with a new five-year agreement. In the interim, however, a Modification of the existing contract amount is required to ensure that the currently scheduled and anticipated Services can continue.

Therefore, this Resolution requests that the Board authorize a Modification to increase the original contract amount by \$1,000,000, for a new total contract amount of \$2,409,087, in order to address TriMet's ongoing need for the Services until a new contract has been procured.

7. Description of Procurement Process

The original contract was procured via a Request for Proposal process.

8. Diversity

KONE's workforce is 9.9% female and 3.7% minority, and its total employee count is 81. KONE will use its own workforce to perform the work under this contract Modification.

9. Financial/Budget Impact

The costs of elevator repair and maintenance services are budgeted as an element of the Facilities Management Department's annual operating budget.

10. Impact if Not Approved

The KONE contract will be exhausted before a replacement agreement can be procured, unless it is modified in accordance with this Resolution. Failure to approve this Resolution will soon lead to the cessation of the Services, which could result in significant safety hazards to TriMet customers and staff at TriMet facilities, and disruption of operations. Moreover, failure to provide fully operational elevators and lifts at TriMet stations and platforms could make these facilities non-compliant with the ADA. Approval of this Resolution is strongly recommended.

RESOLUTION NO. 23-01-01

**RESOLUTION NO. 23-01-01 OF THE TRI-COUNTY METROPOLITAN
TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A
CONTRACT MODIFICATION WITH KONE, INC. (KONE) FOR ELEVATOR
AND LIFT MAINTENANCE AND REPAIR SERVICES**

WHEREAS, TriMet has authority under ORS 267.200 to enter into a contract modification with KONE, Inc. (KONE) for on-call elevator and lift maintenance and repair services (Modification); and

WHEREAS, by Resolution No. 22-05-35, dated May 25, 2022, the TriMet Board of Directors (Board) adopted a Statement of Policies requiring the Board to approve contracts obligating TriMet to pay in excess of \$1,000,000; and

WHEREAS, by Resolution No. 20-03-15, the Board approved a contract with KONE totaling \$1,409,087, and the total amount of this Modification exceeds the contract amount previously authorized by the Board;

NOW, THEREFORE, BE IT RESOLVED:

1. That the Modification shall conform with applicable law.
2. That the General Manager or his designee is authorized to execute a Modification of the contract with KONE, increasing the contract amount from \$1,409,087 to \$2,409,087, through the contract's March 31, 2025 termination date.

Dated: January 25, 2023



Presiding Officer

Attest:



Recording Secretary

Approved as to Legal Sufficiency:



Legal Department