

**PERALTA COMMUNITY COLLEGE DISTRICT**  
**Board of Trustees Agenda Report**  
**For the Trustee Meeting Date of January 18, 2011**

ITEM # 36

**ITEM TITLE:**

Consider Approval of Contract Award to Kone, Inc. for Scheduled Inspections and Complete Elevator Maintenance at Berkeley City College

**SPECIFIC BOARD ACTION REQUESTED:**

Approval is requested to enter into a contract with Kone, Inc. for scheduled inspections and complete maintenance of the three traction and two hydraulic elevators at Berkeley City College (BCC), in the amount of \$76,950, for four and one-half years beginning January 1, 2011.

**ITEM SUMMARY:**

Kone, Inc. has been inspecting and maintaining the five BCC Kone elevators since the summer of 2005 as a part of their initial delivery contract. Their initial five-year agreement expired on August 23, 2010, but through negotiations they agreed to continue service at no additional charge to the District through September 30, 2010. An Independent Contractor Contract (ICC) served the period from October 1 through December 31, 2010 (at \$1,425 per month), since Kone is desirous of beginning the multi-year contract on January 1, 2011. To comply with our fiscal year structure, the District requested that this multi-year contract expire at the end of a fiscal year; thus, the four and one-half year term through June 30, 2015. The total cost, at \$1,425 per month, will be \$76,950.

**BACKGROUND/ANALYSIS:**

The complexity of these elevators is such that ideally the manufacturer (Kone) would continue to service and maintain them as they have for the previous five years. For this reason a quotation was requested from Kone. The older elevators in the District at the three other campuses are being serviced and maintained by Ascent Elevator Services, Inc. (Ascent), whom also provides excellent service. For this reason a quotation was also requested from Ascent. This contract is under our formal bid limit of \$78,900 for goods and services; therefore, only informal quotes are required.

Bids obtained from these two elevator service companies, Kone and Ascent, were received on August 30, 2010, resulting from an informal bid solicitation process. Following is the bid tabulation of these two informal bids:

<b>CONTRACTOR</b>	<b>BID AMOUNT</b>
<b>(for 4 ½ years; January 1, 2011 through June 30, 2015</b>	
Kone, Inc. (at \$1,425/month)	\$ 76,950
Ascent Elevator Services, Inc. (at \$1,950/month)	\$ 105,300

Under the District's Purchasing Procedures, Section "1.07 Exceptions to Formal Bidding," the following exception also applies to maintenance contracts:

Maintenance or repair of equipment made by the manufacturer :

Exempt (to formal bidding) are contracts for the maintenance or servicing of, or provision of repair parts for, equipment which are made with the manufacturer or authorized service agent of that equipment where the provision of parts, maintenance, or servicing can best be performed by the manufacturer or authorized service agent.

Despite this potential of dealing solely with the manufacturer (Kone) for this service agreement, the District sought and received a competitive bid (Ascent). However, this informal bidding process still resulted in the manufacturer (Kone), not only undoubtedly the most experienced, but also being the low cost supplier of services.

**ALTERNATIVES/OPTIONS:**

Not applicable.

**EVALUATION AND RECOMMENDED ACTION:**

Approval is requested to enter into a contract with Kone, Inc. for scheduled inspections and complete maintenance of the three traction and two hydraulic elevators at Berkeley City College (BCC), in the amount of \$76,950, for four and one-half years beginning January 1, 2011.

**SOURCE OF FUNDS (AND FISCAL/BUDGETARY IMPACT):**

General Funds.

**OTHER DEPARTMENTS IMPACTED BY THIS ACTION (E.G. INFORMATION TECHNOLOGY):**

Yes \_\_\_\_\_ No X

**COMMENTS:**

All Board recommended contracts are subject to negotiation and execution by the Chancellor.

**WHO WILL BE PRESENTING THIS ITEM AT THE BOARD MEETING?**

Vice Chancellor Ikharo

**DID A BOARD STANDING COMMITTEE RECOMMEND THE ITEM?** Yes \_\_\_\_\_ No X

IF "YES", PLEASE INCLUDE THAT INFORMATION IN YOUR SUMMARY.

**PLEASE ACQUIRE SIGNATURES IN THIS ORDER:**

**DOCUMENT PREPARED BY:**

Prepared by: Sadiq B. Ikhano Date: 1-10-2011  
Dr. Sadiq B. Ikhano  
Vice Chancellor of General Services

**DOCUMENT PRESENTED BY:**

Sadiq B. Ikhano Date: 1-10-2011  
Dr. Sadiq B. Ikhano  
Vice Chancellor of General Services

**FINANCE DEPARTMENT REVIEW**

Finance review required  Finance review *not* required

If Finance review is required, determination is:  Approved  Not Approved

If not approved, please give reason: \_\_\_\_\_

Signature: Ron Gerhard, by Roxanne Epstein Date: 1/13/11  
For Finance and Administration

**GENERAL COUNSEL (Legality and Format/adherence to Education Codes):**

Legal review required  Legal review *not* required

If Legal review is required, determination is:  Approved  Not Approved

Signature: Thuy T. Nguyen, by Roxanne Epstein Date: 1/13/11  
Thuy T. Nguyen, General Counsel

**CHANCELLOR'S OFFICE APPROVAL**

Approved, and Place on Agenda  Not Approved, but Place on Agenda

Signature: Wise E. Allen Date: 1/17/11  
Wise E. Allen, Chancellor