SUMMARY STATEMENT

ITEM NO.     SUBJECT: PATCO Elevator and Escalator Maintenance Contract

COMMITTEE:     New Business

COMMITTEE MEETING DATE:   June 13, 2007

PATCO BOARD ACTION DATE:   June 13, 2007

PROPOSAL:  That the Board authorizes staff to negotiate a contract with Kone, Inc. to perform maintenance and service for PATCO’s elevators and escalators for a period of three (3) years.

Amount:   $793,800.00

Contractor:   Kone, Inc.
650 Grove Road, Suite 100
P.O. Box 594
Thorofare, NJ 08086-0594

Other Bidders:  Quality Elevator   $2,011,488.00
Thyssen Krupp   No Bid

PURPOSE:  To negotiate the services contract to have Kone, Inc. perform maintenance and service for PATCO’s elevators and escalators for a period of three (3) years.

BACKGROUND:   PATCO currently operates fourteen (14) escalators and ten (10) elevators on its system. Maintenance and service of this equipment is beyond PATCO’s capabilities, and requires an outside contractor to provide these critical services.

A request for bids was publicly advertised on DRPA’s website. Bid documents were mailed to seven (7) prospective bidders, and three (3) responses were received. There was a mandatory site inspection held, which five (5) contractors attended. The low bid was submitted by Kone, Inc. in the amount of $793,800.00 for the three year period. A cost evaluation was completed and references checked by staff. Staff determined that Kone’s proposal is reasonable and compares favorably to what PATCO has been paying annually for the last five (5) years under its current contract. Positive responses were received from references.
It is recommended that a contract be negotiated to perform maintenance and services for PATCO’s elevators and escalators with Kone, Inc., Thorofare, N.J. in the amount of $793,800.00. Upon approval of the Board, a contract will be negotiated with Kone, Inc. to perform maintenance and services for PATCO’s elevators and escalators.

SUMMARY:

Amount: $793,800.00 (total for three years)
Source of Funds: Operating Budget
Capital Project #: N/A
Operating Budget: Contractual Services- 5ZC
Master Plan Status: N/A
Other Fund Sources: N/A
Duration of Contract: Three (3) years
Other Parties Involved: N/A
RESOLUTION

RESOLVED: That the Board authorizes the proper officers of the Authority to negotiate a contract with Kone, Inc. for the maintenance and service of PATCO’s elevators and escalators for a period of three (3) years, as per the attached Summary Statement for a total amount not to exceed $793,800.00 during this period; and be it further

RESOLVED: The Chair, Vice Chair and the President must approve and are hereby authorized to approve and execute all necessary agreements, contracts, or other documents on behalf of the PATCO. If such agreements, contracts, or other documents have been approved by the Chair, Vice Chair and President and if thereafter either the Chair or Vice Chair is absent or unavailable, the remaining Officer may execute the said document(s) on behalf of PATCO along with the President. If both the Chair and Vice Chair are absent or unavailable, and if it is necessary to execute the said document(s) while they are absent or unavailable, then the President shall execute such documents on behalf of PATCO.

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[JDR/jr]