

**COUNTY OF SONOMA
AGENDA ITEM
SUMMARY REPORT**

Clerk of the Board Use Only
 Meeting Date Held Until
 / / / /
 Agenda Item No: Agenda Item No:

Department: General Services

() **4/5 Vote Required**

Contact:
Rob Kambak

Phone:
565-3211

Board Date:
05/12/09

Deadline for Board Action:

AGENDA SHORT TITLE:
HALL OF JUSTICE ELEVATOR REPAIR

REQUESTED BOARD ACTION:

- Rescind the award of contract to KONE, Inc. and award the contract to Empire Elevator Company instead
- Authorize the chair to execute a contract with Empire Elevator Company, Inc., in the amount of \$130,098 for the Hall of Justice Elevator Repair project.
- Authorize staff to pursue a claim against KONE's bid bond.

CURRENT FISCAL YEAR FINANCIAL IMPACT

EXPENDITURES		ADD'L FUNDS REQUIRING BOARD APPROVAL	
Estimated Cost	\$ 130,098	Contingencies	\$
		(Fund Name:)	
Amount Budgeted	\$ 181,831	Unanticipated Revenue	\$
		(Source:)	
Other Avail Approp. (Explain below)	\$	Other Transfer(s)	\$
		(Source:)	
Additional Requested:	\$	Add'l Funds Requested:	\$

Explanation (if required):

Prior Board Action(s):

- 03/17/09 – Authorize the Chair to execute a contract with KONE, Inc. in the amount of \$119,535 for the Hall of Justice Elevator Repair project.
- 12/09/08 – Resolution authorizing the Notice Inviting Bids for the Hall of Justice Elevator Repairs project (Bid opening January 30, 2009)

Alternatives - Results of Non-Approval:

The Board may direct staff to allow more time for KONE, Inc. to comply with the bid documents. The Board may reject all bids. The project would be abandoned or delayed and, if delayed, additional cost (the cost of rebidding and construction cost escalation) could be incurred.

Background:**Project Description**

This project will repair and replace components of the North elevator in the HOJ, located at 600 Administration Drive, to address equipment failures and to ensure that the elevator meets current standards. An elevator consultant was retained to analyze the three elevators in the HOJ and found that repair of the north elevator was of the highest priority due to its recent history of failure. The work includes: replacing elevator controls with new microprocessor controls; replacing existing power unit; replacing existing single jack and piston assembly with a new double bottom unit; refurbishing and realigning guide rails; upgrading signals and other access-related items to comply with current Americans with Disability Act and California Building Code accessibility requirements; installing a new door operator system; refurbishing, cleaning, and lubricating ancillary equipment.

The Bid Budget for the project is \$181,831.

Bid Package

The bid documents include two alternates in addition to the base bid. These alternates include:

1. Two-year maintenance agreement, which starts at the end of the one year warranty period following substantial completion on the work
2. Cab enclosure and entrance refurbishment, which renews the condition of the elevator cab and entrance.

Bid Results

Bids for this project were received on February 13, 2009. Three bids were received, with the bid results as follows:

Contractor	Base Bid	Alternate #1 Extended maintenance agreement	Alternate # 2 Cab enclosure, Entrance refurbishment	Total
KONE, Inc.	\$114,495	\$5,040	\$25,400	\$144,935
Empire Elevator	\$124,866	\$5,232	\$24,986	\$155,084
Thyssenkrupp	\$265,500	\$19,500	\$38,500	\$323,500

In accordance with the Bid Documents, determination of the lowest responsive and responsible bidder was based on the Base Bid and the submission of a proper and complete bid. As all bidders submitted proper and complete bids, KONE, Inc. was identified as the lowest responsive bidder with a Base Bid of \$114,495.

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Attachments:**On File With Clerk:****CLERK OF THE BOARD USE ONLY**

Board Action (If other than "Requested")

Vote:

Background: (Continued)

Bid Documents Section 00100, Instructions to Bidders, paragraphs 11.3 through 12 require the successful bidder to execute Performance and Payment Bonds and submit the bonds and the required certificates of insurance, including the specified endorsements, "within fourteen (14) calendar days after the date of the notice to such bidder that the said contract is awarded to it." The bonds and insurance documents are intended to safeguard the County's interest and ensure that the work awarded to the contractor is performed to the satisfaction of the County. The bonds and insurance documents must be in county possession before the construction contract can be executed.

KONE was notified on March 17, 2009 that they had been awarded the contract and informed that the bonds and insurance documents were due within 14 days, specifically March 31, 2009. The required documentation was not received by March 31. In an effort to work with KONE to make their submittal requirements, extra time was allowed. After numerous emails and telephone calls by staff requesting the required documentation, KONE did not submit the required information as of noon on April 21, 2009, 35 days after notice of award was issued to KONE. A letter was sent April 21, 2009 notifying KONE that they were not responsive and that staff would recommend awarding the contract to the next low bidder. To date KONE has not offered any specific explanation or reason for their non-compliance with the bid requirements. Therefore, staff recommends that the Board rescind the contract award to KONE, Inc., direct staff to pursue the process for taking possession of their bid bond, and award the contract to the next lowest responsive and responsible bidder, Empire Elevator Company, Inc.

Given the favorable bid results and the amount of funds available for the work, staff still recommends that Alternate #1 be included in the project. Alternate #1 will provide added protection for the County by making the contractor responsible for maintaining the equipment in good working order for two full years following substantial completion of the project. The normal warranty period is one year, so Alternative #1 doubles the period. Alternate #2 is not recommended. Alternate 2 would update the appearance of the elevator cab and entrance but not improve the functionality of the system. Given the uncertainty regarding the future of the HOJ, staff is of the opinion that the added cost of Alternate #2 is not warranted. Acceptance of bid alternate #1 will bring the total contract sum for the project to \$130,098, which is \$51,733 under the available bid budget.

Funding

This project is funded from the Courthouse Construction Fund and County's General Fund through the Capital Projects Budget (Index 110338). Staff recommends leaving the balance of the bid budget in the overall project budget as added contingency until the project is complete. The above contract sum is within the project budget and below the bid budget.

Schedule

The project is now planned for construction to start June 2009 and to be completed by January 2010.

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