



TO: Board of Contracts and Awards
FROM: Kim Bedier, Director, PAF
Jon Houg, Deputy Director, PAF
COPY: City Council, City Manager, City Clerk, SBE Coordinator, LEAP Coordinator, and Marie Holm, Finance/Purchasing
SUBJECT: Waiver of Competitive Solicitation Request – Sole Source
Three (3) Year Repair & Maintenance Contract with Schindler Elevator Corporation for Conveyances at the Greater Tacoma Convention & Trade Center– November 10, 2015
DATE: October 27, 2015

SUMMARY:

The Public Assembly Facilities Department / Greater Tacoma Convention & Trade Center requests a waiver of competitive procurement procedures and recommends that a contract be awarded to Schindler Corporation, Redmond, WA, for a three (3) year repair and maintenance contract to maintain the safe and efficient operation of the conveyances within the venue, in the amount of \$309,996.00, plus sales tax.

STRATEGIC POLICY PRIORITY:

- Strengthen and support a safe city with healthy residents.
- Ensure all Tacoma residents are valued and have access to resources to meet their needs.

BACKGROUND:

The City competitively bid the GTCTC project (Specification G-052-99) in its entirety, entered into an agreement with MA Mortenson Company, the successful bidder to build the GTCTC. After the project was complete and all warranty ended, MA Mortenson was able to continue providing maintenance support services as part of their bid proposal. In 2008, the City researched other avenues for these services, not realizing that Schindler Elevator Corporation had proprietary rights to some of the operating tools. PAF used WA State Contract 01507 with KONE, Inc. for 2008-2010 but had to end the contract due to the proprietary rights to the tools being used. Schindler Elevator Corporation has provided services for 2010 to 2013 per contract number 4600006328, and for 2013-2015 per contract number 4600008922.

ISSUE: Provide elevator maintenance to maintain safe and efficient operation of the conveyances within the GTCTC.

ALTERNATIVES: There are no alternate vendors to solicit as long as Schindler Corporation owns and maintains the proprietary SIM cards used to fully test and maintain the two 400A traction elevators at the GTCTC. There are other elevator maintenance service companies who can provide base services but without the use of the proprietary SIM cards, would not be able to provide full, required safety testing and maintenance.



COMPETITIVE ANALYSIS: Waiver of competitive bidding requested due to Sole Source. The Greater Tacoma Convention & Trade Center (GTCTC) maintains two (2) Schindler 400A traction elevators. These elevators require proprietary equipment that the manufacturer will not make available to the GTCTC or any other service provider. The Schindler 400A traction elevators utilize Schindler TXR5 Controllers that require proprietary SIM cards for full functionality, and safety and operational testing. The only service provider able to supply this equipment is Schindler Elevator Corporation.

CONTRACT HISTORY: MA Mortenson Company was the general contractor/construction manager for the GTCTC project and after completion of the GTCTC and as part of their proposal could continue to provide all preventive maintenance services. They provided these services through the end of 2008. KONE, Inc. provided services through WA State Contract 01507 for 2008-2010. Schindler Elevator Corporation has provided services for 2010 to 2013 per contract number 4600006328, and for 2013-2015 per contract number 4600008922.

SBE/LEAP COMPLIANCE: Not applicable.

RECOMMENDATION:

The Public Assembly Facilities Department / Greater Tacoma Convention & Trade Center requests a waiver of competitive procurement procedures and recommends that a contract be awarded to Schindler Corporation, Redmond, WA, for a three (3) year repair and maintenance contract to maintain the safe and efficient operation of the conveyances within the venue, in the amount of \$309,996.00, plus sales tax.

FISCAL IMPACT:

The fiscal impact for this three year contract is \$309,996.00 plus sales tax. Funds are appropriated in the 2015-2016 Public Assembly Facilities, Maintenance and Operations budget within the Convention Center Operating Fund 4165-CCOP.

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
FUND 4165 CCOP	890300	5320100	309,996.00
TOTAL			309,996.00

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
FUND 4165 CCOP	890300	4347155	154,998
FUND 4165 CCOP	890300	4347122	77,499
FUND 4165 CCOP	890300	4347130	77,499
TOTAL			309,996



POTENTIAL POSITION IMPACT:

POSITION TITLE	PERMANENT/ PROJECT TEMPORARY POSITION	FTE IMPACT	POSITION END DATE
TOTAL			

This section should only be completed if a subsequent request will be made to increase or decrease the current position count.

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$73,185.72

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED.

N/A



City of Tacoma
Public Assembly Facilities

Date: October 16, 2015
To: Patsy Best, Procurement and Payables Division Manager
From: Jon Houg, Public Assembly Facilities /Greater Tacoma Convention & Trade Center
Subject: Waiver of Competitive Solicitation Request – Sole Source Purchase
Three (3) Year Repair & Maintenance Contract with Schindler Elevator Corporation

Please forward for Board of Contracts and Awards review and recommendation.

In accordance with Tacoma Municipal Code 1.06.257.A. (Sole Source), Public Assembly Facilities/Greater Tacoma Convention & Trade Center requests a waiver of the competitive solicitation process for a three (3) year repair and maintenance contract to maintain the safe operation of the conveyances within the facility. The sole source vendor is **Schindler Elevator Corporation, Redmond, WA**. This is a on-going contract, with a three-year estimate totaling \$309,996.00, sales tax not applicable.

“Follow-on” Contracts:

Is this sole source purchase based on a contract that was previously competitively bid by the City?
Yes No

If “yes”, provide brief history of the initial contract award, bid specification or RFP number, date, etc. Briefly explain relationship of this sole source purchase to previously competitively bid contract.

The City of Tacoma competitively bid the GTCTC project (Specification G-052-99) in its entirety, entered into an agreement with MA Mortenson, the successful bidder for the project. After the project was complete and all warranty ended, MA Mortenson was able to continue providing maintenance support services as part of their bid proposal. In 2008, the City researched other avenues for these services, not realizing that Schindler Elevator Corporation had proprietary rights to some of the operating tools.

Waiver Criteria:

1. Is there more than one feasible supplier of the product or service in the marketplace?
Yes No
Briefly explain.

There is more than one service provider in our marketplace that maintains and repairs conveyances similar to those installed and operating within the Greater Tacoma Convention & Trade Center, e.g. Otis, Thyssen Krupp, KONE, VTS, etc.

2. Please support your contention it would be futile to advertise and competitively bid for the product or service as it would result in only one bid:

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FINANCE PURCHASING

- a. Describe the screening efforts you engaged in to identify potential suppliers. Include names of potential suppliers, contact person, phone numbers, or addresses.

In 2008, the GTCTC issued contract number 4600005083 to KONE to provide maintenance and repair for the conveyances onsite through the Washington State contract #01507, Amendment #12 and #14. During the contract term, GTCTC was told that KONE, or any other supplier of these services, did not have access to the necessary equipment to fully maintain, repair and operate two of the conveyances within the GTCTC; Schindler manufactured traction 400A elevators.

The GTCTC contacted Schindler Elevator Corporation to attempt to acquire the equipment necessary for the 400As, but was told that the pieces in question were proprietary to Schindler only. Below is information on the two service providers.

Kone (past provider)
Tyler Quandt, Sales Representative
Tyler.quandt@kone.com, 206-510-1403
14737 NE 87th St., Redmond, WA 98502

Schindler Elevator Corporation (current provider)
Bob Amthor, District manager
Bob.amthor@us.schindler.com, 206-291-3001
15413 NE 95th St., Redmond, WA 98052

- b. Describe any technical or unique product/service attributes that prevent drafting specifications for a competitive bid to which more than one supplier could successfully respond.

The GTCTC maintains two (2) Schindler 400A traction elevators. These elevators require proprietary equipment that the manufacturer will not make available to the GTCTC or any other service provider. The only service provider able to supply this equipment is Schindler Elevator Corporation.

This service contract fits the criteria considered as a sole source purchase per the Purchasing Policy Manual, Section XXI, Waiver of Competitive Solicitation Requirements, Items 2a, 2b and 2c.

- c. Is the product available only through one vendor? Yes No
If "yes", such certification should be in writing from the manufacturer (not the vendor) and supported by results of the screening process or validated by the Purchasing Division.
Written certification attached? Yes No

Attached is equipment description for the Schindler TXR5 Controller for the Schindler 400A elevators with the functionality differences between the use of proprietary equipment (SIM card) from Schindler and the functionality lost without that equipment. This information was provided by Schindler and KONE.

Also attached is a letter from Schindler Corporation's district manager reaffirming that the equipment in question (SIM card) is Schindler proprietary equipment. The letter goes on to provide the GTCTC with 5-year testing at no cost, but does not provide for any services requiring the proprietary equipment such as reprogramming the system due to failure or replacement of primary control equipment.

Also attached is a letter prepared by Schindler Corporation's senior account manager stating that Schindler Elevator Corporation is the exclusive factory authorized warranty and maintenance service provider for Schindler products in the Tacoma area.

- d. What efforts were made to assure the City is receiving the lowest or best price possible?

The pricing structure for a repair and maintenance agreement being offered to the City is lower than what is available through the State of Washington general conveyance maintenance contract 00713. See attached email from Schindler Elevator Corporation senior account manager.

Written certification from manufacturer or vendor attached (optional)? Yes No

- e. Is this a one-time purchase? Yes No Total amount: _____
If "no," estimated total dollar amount over three-year period: \$309,996.00 sales tax not applicable.

Other supporting documentation attached? Yes No

City Contact person: Jon Houg Phone: (253) 593-7626

Kim Bedier, Director
Department/Division Head (Please Print)


Department/Division Head Signature Date 0ct22/15.

Purchasing Use Only	
Approved _____	Rejected _____
None (after the fact) _____	
Date _____	By _____

T.C. Broadnax, City Manager

cc: Marie Holm, Senior Buyer, Finance/Purchasing