



TO: Board of Contracts and Awards
FROM: Jon Houg, Deputy Director, Tacoma Venues & Events
Matt Balk, Operations Manager, Tacoma Venues & Events
COPY: City Council, City Manager, City Clerk, SBE Coordinator, LEAP Coordinator, and Samol Hefley, Finance/Purchasing
SUBJECT: Waiver of Competitive Solicitation Request – Sole Source
Four (4) Year Repair & Maintenance Contract with Schindler Elevator Corporation for Conveyances at the Greater Tacoma Convention Center – December 4, 2018
DATE: November 14, 2018

RECOMMENDATION SUMMARY:

Tacoma Venues & Events requests a waiver of competitive procurement procedures and recommends a contract be awarded to Schindler Elevator Corporation, Redmond, WA, for a repair and maintenance contract to maintain the safe and efficient operation of the conveyances within the Greater Tacoma Convention Center, in the amount of \$563,992.80, plus applicable taxes, for a contract term of four (4) years with no option to renew.

STRATEGIC POLICY PRIORITY:

- Strengthen and support a safe city with healthy residents.
- Assure outstanding stewardship of the natural and built environment.
- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

Repair and maintenance services are required to provide safe conveyance for guests, patrons and clients of the Greater Tacoma Convention Center, ensure good stewardship of the facility systems to extend the life expectancy of those systems, and provide physical access to all programs at the venue for all individuals, regardless of ability.

BACKGROUND:

The City competitively bid the Greater Tacoma Convention Center project (Specification G-052-99) in its entirety, entered into an agreement with MA Mortenson Company, the successful bidder to build the GTCC. 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. Tacoma Venues & Events 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, for 2013-2015 per contract number 4600008922, and for 2016-2018 per contract number 4600011288.

ISSUE: Provide elevator maintenance to maintain safe and efficient operation of the conveyances within the Greater Tacoma Convention Center.



ALTERNATIVES:

There are no alternate vendors to solicit as long as Schindler Elevator Corporation owns and maintains the proprietary SIM cards used to fully test and maintain the two 400A traction elevators at the Greater Tacoma Convention Center. 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 Center maintains two (2) Schindler Elevator Corporation 400A traction elevators. These elevators require proprietary equipment that the manufacturer will not make available to the City of Tacoma or any other service provider. The Schindler Elevator Corporation 400A traction elevators utilize Schindler Elevator Corporation 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: New Contract

SUSTAINABILITY: Not Applicable

SBE/LEAP COMPLIANCE: Not Applicable

FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
FUND 4165 CCOP	890300	5320100	\$563,992.80
TOTAL			\$563,992.80

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
FUND 4165 CCOP	890300	4347155	\$281,996.40
FUND 4165 CCOP	890300	4347122	\$140,998.20
FUND 4165 CCOP	890300	4347130	\$140,998.20
TOTAL			\$563,992.80



FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: None - NOT APPLICABLE

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

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



City of Tacoma

Date: September 18, 2018

To: Patsy Best, Procurement and Payables Division Manager

From: Jon Houg, Deputy Director
Tacoma Venues & Events / Greater Tacoma Convention Center

Subject: Waiver of Competitive Solicitation Request
 Sole Source Purchase – TMC 1.06.257.A
 Not Practicable to Bid – TMC 1.06.257.B
Four (4) Year Repair & Maintenance Contract with Schindler Elevator Corporation

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

Tacoma Venues & Events / Greater Tacoma Convention Center requests a waiver of the competitive solicitation process for a four (4) year repair and maintenance contract for conveyances at the Greater Tacoma Convention Center. The vendor is **Schindler Elevator Corporation, Redmond, WA**.

“Follow-on” Contracts:

Is this purchase based on a previous competitive solicitation conducted by the City or other agency? If yes, provide the contract information, specification number, etc., and explain the relationship of this request to the previous contract.

Yes. The City of Tacoma competitively bid the Greater Tacoma Convention Center project, Specification G-052-99, in its entirety, entered into an agreement with MA Mortenson, the successful bidder for the project, which in turn contracted with Schindler Elevator Corporation to provide the conveyances per the City of Tacoma specifications.

Waiver Criteria:

1. Is there only one feasible supplier of the product or service in the marketplace? Yes
If “yes”, such certification should be from the manufacturer (not the authorized distributor) and attached. The certification should describe what the product or service is and the relationship between the manufacturer and authorized distributor.

If No , briefly explain.

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

2. Support your contention that it would be futile to advertise and competitively bid the product/service.

It is futile to advertise and competitively bid the repair and maintenance services of the conveyances installed and operating within the Greater Tacoma Convention Center because there is only a single provider with the necessary tools at their disposal to complete all services required, and therefore it is not practicable to conduct the competitive solicitation.

3. Describe the screening efforts made to identify potential suppliers.

In December of 2008, the Greater Tacoma Convention Center entered into a contract (4600005083) with KONE to provide maintenance and repair for the conveyances onsite through the Washington State Contract #01507, Amendment #12 and #14. During the contract term, it was brought to our attention, 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 convention center; the Schindler 400A traction elevators. The City attempted to acquire the equipment necessary for the 400As, and was told that the pieces in question were proprietary to Schindler only.

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

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

5. Reference the example line item in the Purchasing Policy that best fits this request.

The line items in the Purchasing Policy that best fits this request are XXI.A.1.a. "services are available from only a single source (TMC 1.06.257 A)," and XXI.A.1.b. "it is not practicable to conduct the competitive solicitation process (TMC 1.06.257 B)."

6. Describe the efforts made to assure that the City is receiving the lowest or best price possible.

Schindler Elevator Corporation has provided a pricing structure for repair and maintenance agreements that have been lower than the structure available through the State of Washington contract. Total cost of service, and escalations, have been historically four percent (4%) lower than the interlocal alternative.

7. Is this a one-time purchase? Yes No Total amount: \$_____, plus applicable sales tax. If "no," estimated total dollar amount over contract term as allowed per waiver of competitive solicitation procedure: \$563,993.00, plus applicable sales tax

8. Waiver includes freight and authorization for up to 10 percent contingency where a good faith estimate is provided. Any increase beyond the 10 percent contingency requires authorization.

The total amount authorized including contingency shall not exceed \$200,000 without approval by the Public Utility Board or City Council, as appropriate.

9. **Other supporting documentation attached?** Yes No

10. Funds for this purchase are available in the Greater Tacoma Convention Center Operating Fund - FUND 4165.

11. **PROJECT COORDINATOR:** Jon Houg, Tacoma Venues & Events, 253-593-7626

Buyer Justification Notes:

Schindler owns proprietary tools to service the elevators/ escalators. There are other vendors who can provide this type of service, Schindler will not give anyone access to certain tools to maintain these systems. GTCC must work with Schindler in order to keep the elevators/escalators safe and maintained.