



**TO:** Board of Contracts and Awards  
**FROM:** Kim Bedier, Director, Tacoma Venues & Events *KB*  
**COPY:** City Council, City Manager, City Clerk, SBE Coordinator, LEAP Coordinator, and Samol Hefley, Finance/Purchasing  
**SUBJECT:** Conveyance Repair & Maintenance Contract Value Increase for Schindler Elevator Corporation  
Sole Source, Contract No. 4600011288 – October 2, 2018  
**DATE:** September 11, 2018

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**RECOMMENDATION SUMMARY:**

Tacoma Venues & Events (TVE), Greater Tacoma Convention Center (GTCC), requests approval to increase Contract Number 4600011288, to Schindler Elevator Corporation, Redmond, WA, by \$27,835.04, plus any applicable taxes, for repair and maintenance of the conveyances within the venue. This increase will bring the contract to a cumulative total of \$337,831.04, plus any applicable taxes.

**STRATEGIC POLICY PRIORITY:**

- Assure outstanding stewardship of the built environment.
- Encourage and promote an efficient and effective government, which is fiscally sustainable.

Effectively, efficiently and safely maintain the conveyance systems of a significant City of Tacoma asset in the GTCC.

**BACKGROUND:**

The City of Tacoma competitively bid the GTCC construction project (Specification G-052-99) in its entirety, and entered into an agreement with the successful bidder, MA Mortenson Company. After the project was completed and all warranty ended, MA Mortenson was able to continue providing maintenance support services as part of their bid proposal. In 2008, the City of Tacoma researched other avenues for these services, not realizing that Schindler Elevator Corporation had proprietary rights to some of the operating tools. TVE used Washington State Contract 01507 with KONE, Inc. for 2008-2010 but had to end the contract due to the proprietary rights to the tools used. Schindler Elevator Corporation has provided services for 2010 - 2013 per contract number 4600006328, for 2013 - 2015 per contract number 4600008922, and for 2016 - 2018 per contract number 4600011288.

The contract increase is being requested due to roughly 3.5% labor and product increases by the Contractor in January of 2017 and January of 2018, and due to unanticipated repairs to the GTCC escalator units.

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

**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 GTCC. Other elevator maintenance service companies can provide base services but without the use of the proprietary SIM cards no company other than Schindler is able to provide full, required safety testing and maintenance.



**COMPETITIVE SOLICITATION:**

Waiver of Competitive Solicitation – Sole Source was approved by the City of Tacoma Board of Contracts and Awards in October 2015.

**COMPETITIVE ANALYSIS:**

The Greater Tacoma Convention Center (GTCC) maintains two (2) Schindler 400A traction elevators. These elevators require proprietary equipment that the manufacturer will not make available to the City of Tacoma, the GTCC 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:** This contract was originally awarded to Schindler Elevator Corporation as a result of the approval of the Sole Source Waiver in October of 2015, and adopted by City Council via Resolution 39307 on November 10, 2015.

**SBE/LEAP COMPLIANCE:** Not applicable.

**FISCAL IMPACT:**

The fiscal impact for this three-year contract is \$337,831.04, plus sales tax. Funds are appropriated in the 2017-2018 Tacoma Venues & Events, 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	337,831.04
<b>TOTAL</b>			<b>337,831.04</b>

\* General Fund: Include Department

**REVENUES:**

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
FUND 4165	890300	Various	337,831.04
<b>TOTAL</b>			<b>337,831.04</b>



**FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$225,220.70**

**ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes**

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


N/A

FINANCE PURCHASING  
SEP 14 2018 10:12:55



**DATE:** September 20, 2018

**TO:** Patsy Best, Procurement and Payables Manager

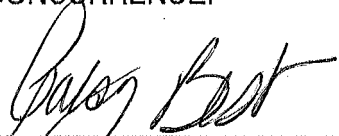
**FROM:** Jon Houg, Deputy Director 

**SUBJECT:** Request to Increase to Waiver of Competitive Solicitation – Sole Source  
Schindler Elevator Corporation  
SAP Contract No. 4600011288

The **Tacoma Venues & Events Department** requests an increase of \$27,835.01, plus any applicable taxes, for repair and maintenance services of the conveyances at operating within the Greater Tacoma Convention Center.

The original waiver, dated October 2015, was approved in the amount of \$309,996.00, and confirmed through Resolution No. 39307 adopted November 10, 2015. This increase brings the cumulative total for this purchase to \$337,831.04, plus any applicable taxes.

CONCURRENCE:



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Patsy Best

cc: Joe Parris, Finance/Procurement and Payables



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:

- 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](mailto:Tyler.quandt@kone.com), 206-510-1403  
14737 NE 87<sup>th</sup> St., Redmond, WA 98502

Schindler Elevator Corporation (current provider)  
Bob Amthor, District manager  
[Bob.amthor@us.schindler.com](mailto:Bob.amthor@us.schindler.com), 206-291-3001  
15413 NE 95<sup>th</sup> 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

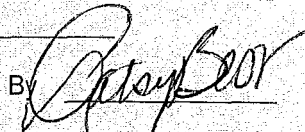
- e. Is this a one-time purchase? Yes  No  Total amount: \_\_\_\_\_  
If "no," estimated total dollar amount over three-year period: \$309,996.00 sales tax not applicable.

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 10/22/15.

Purchasing Use Only	
Approved <input checked="" type="checkbox"/>	Rejected <input type="checkbox"/>
None (after the fact) _____	
Date <u>10/26/15</u>	By 

\_\_\_\_\_  
T.C. Broadnax, City Manager

cc: Marie Holm, Senior Buyer, Finance/Purchasing