



**CITY OF HOUSTON - CITY COUNCIL**

Meeting Date:  
 District B, District E, District I  
 Item Creation Date: 11/4/2020

HAS - Derivative Agreement with Thyssenkrupp Elevator Corporation for Conveyance Systems Operations and Maintenance at IAH, HOU, and EFD

Agenda Item#:

**Background:**

**RECOMMENDATION:**

Enact an ordinance approving and authorizing a Derivative Agreement through a Sourcewell Cooperative Agreement with Thyssenkrupp Elevator Corporation For Conveyance Systems Operations And Maintenance at George Bush Intercontinental Airport (IAH), William P. Hobby Airport (HOU), and Ellington Airport (EFD), appropriating funds, and setting a maximum contract amount.

**SPECIFIC EXPLANATION:**

This Contract provides operations and maintenance for all HAS-owned conveyance units at IAH, HOU, and EFD. IAH currently operates and maintains 130 conveyance units (41 Hydraulic Elevators, 29 Traction Elevators, 46 Escalators, 9 Moving Sidewalks, 1 MRL Elevator, 3 Roped-Hydraulic Elevator, and 1 Wheelchair Lift). HOU currently operates and maintains 42 conveyance units (14 Hydraulic Elevators, 12 MRL Traction Elevators, 12 Escalators and 4 Moving Sidewalks). EFD currently operates and maintains 1 Hydraulic Elevator and 1 MRL Elevator. Scope elements include Preventative Maintenance (PM) and Corrective Maintenance (CM) in accordance with applicable standards, Best Industry Practice, and Contractor’s maintenance program approved by HAS.

**Procurement:**

After determining that cost savings could be achieved by utilizing a cooperative purchasing agreement, informal Requests for Bids were forwarded to four vendors through a Sourcewell Cooperative Agreement. Three bids were received on September 10, 2020, and are tabulated as follows:

Firm	Total Bid Price
1. Thyssenkrupp Elevator Corporation	\$ 12,778,267.50
2. Kone	\$ 13,967,200.00
3. Schindler Elevator Corp	\$ 18,316,091.45

After a thorough review of the bids, the Infrastructure Division and Supply Chain Management recommended that Thyssenkrupp Elevator Corporation be awarded this contract based on their low responsive bid meeting specifications.

The term of the Contract is for eighteen months with a six-month extension option.

**Project Costs:**

	FY21	Out Years	TOTAL
<b>Basic Services &amp; Included Other Service Requests (OSRs)</b>			
<i>HAS Revenue Fund (8001)</i>	\$3,726,994.69	\$9,051,272.81	\$12,778,267.50
<b>Additional Anticipated OSRs</b>			
<i>HAS Renewal and Replacement Fund (8010)</i>	\$1,221,612.50		\$1,221,612.50
<b>Grand Total</b>	<b>\$4,948,607.19</b>	<b>\$9,051,272.81</b>	<b>\$13,999,880.00</b>

**Hire Houston First:**

This procurement is exempt from the City’s Hire Houston First Ordinance. Formal bids/proposals were not solicited because the department is utilizing an Interlocal or Cooperative Purchasing Agreement for this purchase.

**Pay or Play:**

The proposed contract requires compliance with the City’s “Pay or Play” ordinance regarding health benefits for employees of City contractors. In this case, the contractor will exercise the “Play” option.

**M/WBE Participation:**

All Contractors are required to certify in their respective copies of funds listed on the M/WBE Participation Plan/Goal with Effect

All Subcontractors are currently certified in their respective scopes of work as listed on the M/WBE Participation Plan/Good Faith Efforts submitted by Thyssenkrupp Elevator Corporation. Their M/WBE plan committing to a M/WBE participation percentage of 20.28% has been approved by the HAS Office of Business Opportunity.

Name of Certified MWBE	Description of Work (Scope of Work)	% Participation
Escalator Cleaning Services, LLC	Escalator and moving sidewalk exterior cleaning/janitorial services	5.69%
SwettCorp. DBA Elevator Technical Services	Escalator annual inspection services	14.59%
TOTAL		20.28%

**Fiscal Note:**

Funding for this item is included in the FY2021 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policies.

**CIP Fiscal Note:**

No significant Fiscal Operating impact is anticipated as a result of this project.

**Director's Signature:**

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RaB

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*Mario Diaz*  
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Mario C. Diaz  
Houston Airport System

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Andy Icken  
Chief Development Officer

Estimated Spending Authority			
DEPARTMENT	FY2021	OUT YEARS	TOTAL
Houston Airport System	\$4,948,607.19	\$9,051,272.81	\$13,999,880.00

**Amount of Funding:**

\$12,778,267.50 HAS Revenue Fund (8001)  
\$ 1,221,612.50 HAS Renewal & Replacement Fund (8010)  
\$13,999,880.00 TOTAL

**Contact Information:**

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