

**Background:**

**Approve Payment and Spending Authority for S19-E25819 - Approve payment and spending authority for emergency elevators and escalators maintenance and repair services in an amount not to exceed \$206,248.51 through the Master Intergovernmental Cooperative Purchasing Agreement with U.S. Communities for various Departments.**

**Specific Explanation:**

The City Chief Procurement Officer recommends that City Council approve payment and spending authority in an amount not to exceed \$206,248.51 for emergency elevators and escalators maintenance and repairs services through the Master Intergovernmental Cooperative Purchasing Agreement (MICPA) with U.S. Communities for the General Services and Public Works and Engineering Departments, and that authorization be given to issue automated (SAP) purchase orders, as needed, to U.S. Communities' Lead Public Agency contractor **Kone, Inc.** The utilization of MICPA allows the City to leverage numerous existing U.S. governmental contracts with over 90,000 participating agencies with an estimated purchasing power value of \$1.5 billion annually.

The Strategic Procurement Division issued two emergency purchase orders to Kone, Inc., December 15, 2015 and February 5, 2016, to address emergency City wide elevator repairs to ensure sufficient resources to cover the City's needs for uninterrupted elevator repairs. The emergency elevator repairs will insure the safety of staff and citizens in City buildings. The City's current contractor, EMR Elevator, Inc. is only performing preventative maintenance services and will not perform any call-out services due to unsolved disputes, Kone, Inc. has invoiced the City \$165,574.83 for elevator repairs performed City wide. In addition to past due invoices, spending authority is being requested for repair of all critical non-working elevators. The Strategic Procurement Division is also finalizing a new multi-year agreement that will be presented to City Council in approximately 60 days.

The MICPA with U.S. Communities' Lead Public Agency contractor will provide all supervision, labor, replacement parts, equipment, materials, tools, expendable items, supplies, training and transportation necessary to provide preventative maintenance and repair services for elevators and escalators. Additionally, the contractor shall be required to perform all work in strict accordance with the current and future City Building and American National Standards Institute of Elevator Codes.

**Pay or Play Program:**

The proposed contract requires compliance with the City's 'Pay or Play' Ordinance regarding health benefits for employees of City contractors. This procurement is exempt from the City's 'Pay or Play' Program because the department is utilizing an Interlocal or Cooperative Purchasing Agreement for this purchase.

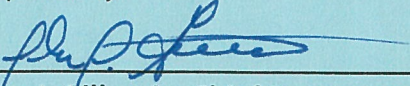
**Hire Houston First:**

The proposed contract requires compliance with the City's Hire Houston First Ordinance that promotes economic opportunity for Houston businesses and supports job creation. This procurement is exempt from the City's Hire Houston First Ordinance because the City is utilizing an Interlocal or Cooperative Purchasing Agreement for this purchase.

Attachment: M/WBE Zero Percentage Goal Document approved by the Mayor's Office of Business Opportunity.

This recommendation is made pursuant to Chapter 252, Section 252.022 (a) (2) "a procurement necessary to preserve or protect the public health or safety of the municipality's residents" of the Texas Local Government Code for exempted procurements.

Attachment: M/WBE Zero-Percent Goal Document Approve by the Office of Business Opportunity.



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**John J. Gillespie, Chief Procurement Officer**  
**Finance/Strategic Procurement Division**

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**Department Approval Authority Signature**