

REQUEST FOR PROPOSALS ANALYSIS AND STAFF RECOMMENDATION

Contracting Agency: Housing Authority of the City of Milwaukee
 Official Notice Number: 58107
 Date and Time of Opening: Friday, April 14, 2023, 2:00 PM (CDST)
 Type of Work, Services, or Material: Elevator Maintenance and Repair Services
 Housing Development and Number: various sites
 Award Amount: \$1,000,000.00 not to exceed
 Budget Source/Account Number:

		scheduled maintenance annually	allowance for repairs annually	total annually
Arlington Court	640-443026	15,840.00	7,000.00	22,840.00
College Court	643-443026	27,840.00	9,000.00	36,840.00
Hillside Terrace	681-443026	6,360.00	1,500.00	7,860.00
Lincoln Court	646-443026	13,920.00	3,000.00	16,920.00
Locust Court	647-443026	15,840.00	6,000.00	21,840.00
Mitchell Court	649-443026	13,920.00	1,500.00	15,420.00
Riverview	650-443026	15,840.00	5,000.00	20,840.00
Parklawn Management Office	671-443026	816.00	1,000.00	1,816.00
Central City Cyberschool	686-443026	3,180.00	1,000.00	4,180.00
Community Services	614-443026	3,180.00	1,000.00	4,180.00
Hillside Family Resource Center	676-443026	3,180.00	1,000.00	4,180.00
Silver Spring Neighborhood Center	629-443026	3,180.00	1,000.00	4,180.00
St. Francis Education/Training Center	102-443026	3,180.00	1,000.00	4,180.00
Becher Court	106-443026	6,360.00	1,500.00	7,860.00
Cherry Court	111-443026	13,920.00	1,000.00	14,920.00
Highland Gardens	107-443026	6,360.00	1,000.00	7,360.00
Holton Terrace	110-443026	13,920.00	1,500.00	15,420.00
Lapham Park	135-443026	20,880.00	2,000.00	22,880.00
Merrill Park	120-443026	13,920.00	1,500.00	15,420.00
Olga Village	133-443026	6,360.00	1,000.00	7,360.00
WG2 Beech-3.2/Chestnut-3.3 (WR IV)	154-443026	12,672.00	1,500.00	14,172.00
WG1 East/West Midrises	134-443026	12,720.00	3,000.00	15,720.00
Annual Total		233,388.00	53,000.00	286,388.00
				x 3
Initial 3-Year Contract				859,164.00
Allowance for Upgrades as Needed				140,836.00
TOTAL AWARD				1,000,000.00

<u>Firm</u>	<u>City, State</u>	<u>Amount</u>	<u>Rank</u>
Otis Elevator Co.	Milwaukee, WI	\$233,388.00/year scheduled maintenance	1
Schindler Elevator Corp.	Menomonee Falls, WI	\$357,540.00/year scheduled maintenance	2
TK Elevator Corp.	Atlanta, GA	\$207,300.00/year scheduled maintenance	3

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Contracting Agency:	Housing Authority of the City of Milwaukee
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Date and Time of Opening:	Friday, April 14, 2023, 2:00 PM (CDST)
Type of Work, Services, or Material:	Elevator Maintenance and Repair Services
Housing Development and Number:	various sites
Award Amount:	\$1,000,000.00 not to exceed

PROCUREMENT REVIEW

PROCURING SECTION: Modernization & Development Services

A publicly advertised RFP was issued for these services. HACM determined that it would be in its best interests to issue a solicitation for competitive proposals where award would be determined based on capability/capacity, past performance, and price. In addition, terms/conditions of the contract can be negotiated if necessary.

Evaluation is in accordance with the “trade-off” method (HUD Handbook 7460.8 REV2, Procurement Handbook for Public Housing Agencies [PHAs], Chapter 7, Article 7.2.E.2). Under this method, technical factors are first scored and offerors are ranked. Then, prices are evaluated with respect to the strength of the technical factors. This method allows a PHA to weigh, or trade off, the relative importance of technical factors versus price. Award may be to the offeror whose combination of technical factors and price are the most advantageous overall to the PHA.

Three proposals were received and evaluated per the criteria identified in the RFP. Otis Elevator Co. (Otis) was ranked highest with respect to the technical factors.

Otis’ price proposal for scheduled maintenance is higher than that of the lowest price proposal submitted by TK Elevator Corp. (ranked third); however, Otis has far greater capacity and resources. Schindler Elevator Corp. (ranked second) is a large, reputable company; however, its price proposal is significantly higher than that of Otis. Otis is the offeror whose combination of technical factors and price are the most advantageous overall to HACM for the elevator maintenance and repair needs of its extensive portfolio.

Otis requested to amend some terms/conditions of the proposed contract. Although some concessions were made, HACM’s interests are still adequately protected. Otis requested that the initial term of contract be three years (instead of the usual one year) with the option to renew for two additional years (five years total, which is the limit set by HUD and the limit set in the RFP). HACM agreed to this but retains the right to terminate the contract for cause or convenience at any time with proper notice. These amendments are identical to those of Otis’ current contract for these services.

Otis Elevator Co. has the necessary expertise, resources, and successful past performance for the services required and has performed satisfactorily on previous contracts with HACM for the same services. Modernization & Development Services recommends that HACM award a contract to Otis Elevator Co. in the amount of \$1,000,000.00 not-to-exceed for an initial contract term of three years, with the option to extend for two additional years. This award amount includes both scheduled maintenance services and allowances for repairs and upgrades as needed. HACM’s elevator consultant, Performance Elevator Consulting LLC, concurs with this award recommendation.

Vice President of Construction _____

Date _____

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EMERGING BUSINESS ENTERPRISES

Target Contracting 20 % MBE, WBE, or any combination thereof subcontract participation

Proposed Contracting zero %

Otis Elevator Co. (Otis) is not a certified EBE with the State of Wisconsin or any other EBE certifying agency. Otis is a union contractor with the International Union of Elevator Constructors (IUEC). Otis has not identified a need to subcontract or to hire at this time. If Otis needs to subcontract or to hire in the future, then Otis will contact Purchasing/Contracts Services prior to seeking any subcontractors or candidates on its own.

Purchasing/Contracts Services recommends proceeding with award.

Contract Compliance Officer _____ Date _____

SECTION 3

Otis Elevator Co. is not a Section 3 certified business. This award falls under the new Section 3 rule. Our consultant, Motivation Inc., will be working with Otis on Section 3 participation under the new rule.

Purchasing/Contracts Services recommends proceeding with award.

Contract Compliance Officer _____ Date _____

FINANCE AND ACCOUNTING

Finance and Accounting concurs with the recommendation of the Procuring Section to award a contract to Otis Elevator Co. as described above. Charge the account number(s) as listed above.

Grants Accountant/Budget Analyst _____ Date _____

RECOMMENDATION

RECOMMEND AWARD TO OTIS ELEVATOR CO. AS DESCRIBED ABOVE.

APPROVAL RECOMMENDED

Chief Financial Officer _____ Date _____

APPROVED

Secretary-Executive Director _____ Date _____