

CONTRACT AMENDMENT ANALYSIS AND STAFF RECOMMENDATION

Contracting Agency: Housing Authority of the City of Milwaukee
Contract Number: 18-022
Contractor: Otis Elevator Company
Amendment Amount: \$332,949.00 not-to-exceed
Type of Work, Services, or Material: Elevator Maintenance and Repair Services
Housing Development and Number: various sites
Budget/Account Number: see below

		scheduled maintenance 2022-2023	allowance for repairs 2022-2023	total
Arlington Court	640-443026	14,436.00	8,000.00	22,436.00
College Court	643-443026	25,272.00	8,000.00	33,272.00
Hillside Terrace	681-443026	5,796.00	2,000.00	7,796.00
Lincoln Court	646-443026	12,636.00	4,000.00	16,636.00
Locust Court	647-443026	14,436.00	8,000.00	22,436.00
Mitchell Court	649-443026	12,636.00	4,000.00	16,636.00
Riverview	650-443026	14,436.00	8,000.00	22,436.00
CCC	686-443026	2,898.00	1,000.00	3,898.00
COS	614-443026	2,898.00	1,000.00	3,898.00
HFRC	676-443026	2,898.00	1,000.00	3,898.00
SSNC	629-443026	2,898.00	1,000.00	3,898.00
Parklawn Mgmt Office	671-443026	738.00	500.00	1,238.00
MKE Techforce Center	350-443026	2,898.00	1,000.00	3,898.00
		114,876.00	47,500.00	162,376.00
Upgrades as Needed	various		75,000.00	75,000.00
HACM Subtotal		114,876.00	122,500.00	237,376.00
Becher Court		2,898.00	2,000.00	4,898.00
Cherry Court		12,636.00	2,000.00	14,636.00
Highland Gardens		5,796.00	2,000.00	7,796.00
Holton Terrace		11,583.00	2,000.00	13,583.00
Merrill Park		6,318.00	2,000.00	8,318.00
Lapham Park		18,954.00	4,000.00	22,954.00
Olga Village		5,796.00	2,000.00	7,796.00
Westlawn Gardens Phase 1		11,592.00	4,000.00	15,592.00
LLC Property Mgmt Subtotal		75,573.00	20,000.00	95,573.00
Grand Total		190,449.00	142,500.00	332,949.00

PROCUREMENT REVIEW

PROCURING SECTION: Modernization & Development Services

Otis Elevator Company holds the current contract for elevator maintenance and repair services at various sites, awarded pursuant to a competitive solicitation. The original award was for \$711,414.00 not-to-exceed for an initial term of three (3) years, from 06/01/2018 through 05/31/2021, with the option to extend up to two (2) additional one-year terms. Amendment 1 was executed to extend one (1) year through 05/31/2022 and to add \$308,400.00 not-to-exceed.

Otis Elevator Company has the necessary expertise, resources, and successful past performance for the services required and has performed satisfactorily during the initial term of the contract and the term of Amendment 1.

The prices for scheduled maintenance services remain the same. A modest increase of 3.28% is requested by the contractor in the hourly rate for repairs as needed. Over the past four years, the number of repairs needed at various sites and the associated cost have continued to increase significantly, due in large part to older equipment that has failed and/or become obsolete.

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PROCURING SECTION: Modernization & Development Services

(continued)

Additional contract authority is needed for continued scheduled maintenance, allowance for repairs as needed, and allowance for upgrades as needed for the next year. The total estimated amount for the next year is \$332,949.00 not-to-exceed. The portion to be paid directly by the Housing Authority is \$237,376.00 not-to-exceed. The portion to be paid by the respective property manager for various LLC sites is \$95,573.00 not-to-exceed; this includes Becher Court, Holton Terrace, and Merrill Park, which are currently covered by the warranty of separate contracts associated with RAD conversion but will be added back to the contract with Otis Elevator Company when the respective warranty periods expire during the course of the coming year.

Modernization & Development Services recommends that HACM execute a second amendment to the contract, authorizing additional contract authority of \$332,949.00 not-to-exceed and extending the term one (1) year, from 06/01/2022 through 05/31/2023, which will constitute the final extension allowed by the contract.

Vice President of Construction _____

Date _____

EMERGING BUSINESS ENTERPRISES

Target Contracting	<u>20</u> %	<u>MBE and/or WBE</u>
Proposed Contracting	<u>zero</u> %	<u>MBE and/or WBE</u>

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

Purchasing/Contracts _____

Date _____

SECTION 3

This award falls under the new Section 3 rule. Our consultant, Motivation Inc., will be working with Otis Elevator Company on Section 3 compliance under the new rule. Purchasing and Contracts Services recommends proceeding with award.

Purchasing/Contracts _____

Date _____

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FINANCE AND ACCOUNTING

Finance and Accounting concurs with the recommendation of the Modernization & Development Services Section to execute an amendment to the contract as described above. Charge the account number(s) as listed above.

Grants Accountant/Budget Analyst _____ Date _____

RECOMMENDATION

RECOMMEND EXECUTION OF AMENDMENT AS DESCRIBED ABOVE.

APPROVAL RECOMMENDED

Chief Financial Officer _____ Date _____

APPROVED

Secretary–Executive Director _____ Date _____

HA-195 (09/2015)