

COMPETITIVE PROPOSALS ANALYSIS AND STAFF RECOMMENDATION

Contracting Agency:	Housing Authority of the City of Milwaukee
Contractor:	Otis Elevator Company (Milwaukee, WI)
Type of Work, Services, or Material:	Elevator Maintenance and Repair Services at Various Sites
Housing Development and Number:	various sites
Award Amount:	\$711,414.00 not to exceed
Job Number:	

		scheduled maintenance annually	allowance for repairs annually	total annually
Arlington Court	640-443026	14,436.00	2,000.00	16,436.00
Becher Court	641-443026	5,796.00	1,000.00	6,796.00
College Court	643-443026	25,272.00	4,750.00	30,022.00
Hillside Terrace	681-443026	5,796.00	1,000.00	6,796.00
Holton Terrace	645-443026	12,636.00	2,000.00	14,636.00
Lincoln Court	646-443026	12,636.00	2,000.00	14,636.00
Locust Court	647-443026	14,436.00	2,000.00	16,436.00
Merrill Park	648-443026	12,636.00	2,000.00	14,636.00
Mitchell Court	649-443026	12,636.00	2,000.00	14,636.00
Riverview	650-443026	14,436.00	2,000.00	16,436.00
CCC	686-443026	2,898.00	500.00	3,398.00
COS	614-443026	2,898.00	500.00	3,398.00
HFRC	676-443026	6,318.00	1,000.00	7,318.00
SSNC	629-443026	2,898.00	500.00	3,398.00
PL mgmt. office	671-443026	738.00	250.00	988.00
Milw Techforce Ctr	350-443026	2,898.00	500.00	3,398.00
Subtotal		149,364.00	24,000.00	173,364.00
Cherry Court		12,636.00	2,000.00	14,636.00
Highland Gardens		5,796.00	1,000.00	6,796.00
Olga Village		5,796.00	1,000.00	6,796.00
Lapham Park		18,954.00	3,000.00	21,954.00
Westlawn Gardens		11,592.00	2,000.00	13,592.00
Total		204,138.00	33,000.00	237,138.00

Three Year Total 237,138.00 x 3 = 711,414.00

PROCUREMENT REVIEW

PROCURING SECTION: Modernization & Development Services

A publicly advertised IFB was issued in October 2017; one bid was received, but it was non-responsive (insufficient bid surety). A publicly advertised RFP was issued in February 2018. In addition to the public advertisement, HACM directly notified several elevator companies about the availability of the RFP. However, no proposals were received.

HACM was subsequently contacted by two contractors, Otis Elevator Company (Otis) and Suburban Elevator of Wisconsin (Suburban). Both intended to respond to the RFP but missed the submission deadline due to unexpected circumstances in their respective companies. Given the two unsuccessful solicitations and the urgent need to engage a contractor for these critical services, HACM determined that it would be in its best interests to entertain proposals from the only two contractors who expressed interest in providing the services. These would be competitive proposals where award would be determined based on price, capability/capacity, and past performance. In addition, terms/conditions of the contract can be negotiated.

Suburban provided a proposal for \$152,070 for scheduled maintenance for one year. Otis provided a proposal for \$204,138 for scheduled maintenance for one year.

COMPETITIVE PROPOSALS ANALYSIS AND STAFF RECOMMENDATION

Contracting Agency: Housing Authority of the City of Milwaukee
Contractor: Otis Elevator Company (Milwaukee, WI)
Type of Work, Services, or Material: Elevator Maintenance and Repair Services at Various Sites
Housing Development and Number: various sites
Award Amount: \$711,414.00 not to exceed

PROCURING SECTION: Modernization & Development Services

(continued)

Although Suburban's proposal amount is lower, HACM's elevator consultant, Performance Elevator Consulting LLC (Performance), recommended negotiating with Otis if at all possible. Performance pointed out that: Suburban does not have sufficient workforce to meet the requirement of being able to simultaneously answer three service calls as required by the technical specifications; Suburban did not perform well on another account that Performance recently audited; and Suburban has limited technical resources immediately available in the Milwaukee area.

Performance also reported that it had previously surveyed several elevator companies, the majority of which indicated that if they were to bid the amount would be up to twice as much as HACM had paid in the past for scheduled maintenance (\$11,495/month x 2 = \$22,990/month). Otis' proposal amount of approximately \$17,000/month falls within this range.

HACM began negotiations with Otis. This included amending some terms/conditions of the 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 two options to renew for another year (three years total). HACM agreed to this but retains the right to terminate the contract for convenience at any time (with thirty days' notice).

Otis Elevator Company has the necessary expertise, resources, and successful experience 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 Company in the amount of \$711,414 for a term of three years (contingent upon final negotiations). This includes both scheduled maintenance services and an allowance for as-needed repairs.

Director of Development _____

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 will not trigger EBE, as it has no need to subcontract and is bound by union regulations (National Elevator Industry Educational Program) on both subcontracting and hiring. It has been recommended by the Section 3 Coordinator and agreed to by Otis Elevator Company that Otis Elevator Company shall inform the Section 3 Coordinator of any upcoming union-approved subcontracting opportunities within the quad-county jurisdiction that may be of interest to contractors that may meet MBE/WBE certification requirements. Also, in the event that a decision is made based on a need to subcontract, Otis Elevator Company and all potential subcontractors shall inform the Section 3 Coordinator prior to the occurrence. It should also be noted that some EBE certified firms were identified through the Wisconsin Department of Administration's business diversity program. However, the majority of these EBE firms are dealers in parts. Otis Elevator Company obtains parts (and any trouble-shooting thereto) directly from original elevator manufacturers; parts dealers would not be able to assist. Thus, subcontracting to EBEs is impractical for this contract.

Section 3 Coordinator _____

Date _____

COMPETITIVE PROPOSALS ANALYSIS AND STAFF RECOMMENDATION

Contracting Agency: Housing Authority of the City of Milwaukee
Contractor: Otis Elevator Company (Milwaukee, WI)
Type of Work, Services, or Material: Elevator Maintenance and Repair Services at Various Sites
Housing Development and Number: various sites
Award Amount: \$711,414.00 not to exceed

SECTION 3

Target Contracting (when triggered) 10 % Target Employment (when triggered) 30% of new hires
Proposed Contracting zero % Proposed Employment no need to hire

Otis Elevator Company will not trigger Section 3, as it has no need to subcontract or hire and is bound by union regulations (National Elevator Industry Educational Program) on both subcontracting and hiring. It has been recommended by the Section 3 Coordinator and agreed to by Otis Elevator Company that Otis Elevator Company shall inform the Section 3 Coordinator of any upcoming union-approved subcontracting and/or apprenticeship opportunities within the quad-county jurisdiction that may be of interest to Section 3 Business Concerns and/or any HACM residents/non-HACM (lower tier) residents who may meet the minimum preliminary apprenticeship testing requirements. Currently, the closest union-approved open elevator constructor apprenticeship application opportunity is located in Madison, Wisconsin. Also, in the event that a decision is made based on a need to subcontract or hire, Otis Elevator Company and all potential subcontractors shall inform the Section 3 Coordinator prior to the occurrence.

Section 3 Coordinator _____ Date _____

FINANCE AND ACCOUNTING

Finance and Accounting concurs with the recommendation of the Modernization & Development Services Section to award a contract to Otis Elevator Company as described above. Charge the account number(s) as listed above.

Grants Accountant/Budget Analyst _____ Date _____

RECOMMENDATION

RECOMMEND AWARD TO OTIS ELEVATOR COMPANY AS DESCRIBED ABOVE.

APPROVAL RECOMMENDED

Chief Financial Officer _____ Date _____

Asst Secretary-Mod Coordinator _____ Date _____

APPROVED

Secretary-Executive Director _____ Date _____

HA-195 (09/2015)