



City of Richmond

Report to Committee

To: Public Works and Transportation Committee **Date:** October 19, 2022

From: Jim V. Young, P. Eng.
Director, Facilities and Project Development **File:** 02-0775-50-8074/Vol 01

Re: **Award of Contract 8074Q – On-Call Elevator Contractor**

Staff Recommendation

1. That Contract 8074Q – On-Call Elevator Contractor be awarded to West Coast Elevator Services Ltd., in the amount of \$408,000.00 for a three-year term as described in the report titled “Award of Contract 8074Q – On-Call Elevator Contractor,” dated October 19, 2022 from the Director, Facilities and Project Development;
2. That the Chief Administrative Officer and General Manager, Engineering and Public Works be authorized to extend the initial three-year term, up to the maximum total term of five years, for the maximum total amount of \$701,000.00 as described in the report titled “Award of Contract 8074Q – On-Call Elevator Contractor,” dated October 19, 2022 from the Director, Facilities and Project Development; and
3. That the Chief Administrative Officer and General Manager, Engineering and Public Works be authorized to execute the contract and all related documentation with West Coast Elevator Services Ltd.

Jim V. Young, P. Eng.
Director, Facilities and Project Development
(604-247-4610)

REPORT CONCURRENCE		
ROUTED TO: Finance Department	CONCURRENCE <input checked="" type="checkbox"/>	CONCURRENCE OF GENERAL MANAGER
SENIOR STAFF REPORT REVIEW	INITIALS: 	APPROVED BY CAO

Staff Report

Origin

The City requires an on-call elevator contractor to complete monthly inspections, maintenance and repairs to all City buildings with elevators. The City maintains 26 elevators across 16 facilities. These services are critical to maximize the life expectancy of elevators and meet regulatory requirements.

The City's current contract for on-call elevator services is with West Coast Elevator Services Ltd., and is expiring, necessitating the need for a new contract to be in place.

This report supports Council's Strategic Plan 2018-2022 Strategy #1 A Safe and Resilient City:

Enhance and protect the safety and well-being of Richmond.

1.2 Future-proof and maintain city infrastructure to keep the community safe.

1.3 Ensure Richmond is prepared for emergencies, both human-made and natural disasters.

1.4 Foster a safe, caring and resilient environment.

This report supports Council's Strategic Plan 2018-2022 Strategy #5 Sound Financial Management:

Accountable, transparent, and responsible financial management that supports the needs of the community into the future.

5.2 Clear accountability through transparent budgeting practices and effective public communication.

Analysis

Scope of Work

The scope of work for this contract includes, but is not limited to:

- repairs;
- monthly inspections and maintenance;
- emergency repairs;
- non-emergency repairs on a call-out basis;
- entrapments; and
- upgrades and modernizations.

Service to elevators is a regulated requirement by Technical Safety BC. The regulations are designed to prevent or reduce the risk of personal injury or damage to property. Compliance is mandatory and enforced by Technical Safety BC. It is a Technical Safety BC requirement to have an elevator maintenance service contract in place in order to operate an elevator.

Based on past experience, it is anticipated that approximately seventy per cent of the required work under this contract will be performed during normal business hours, with the remainder of work occurring outside of regular business hours to accommodate the facility user's operational needs.

Public Tendering

A Request for Quotation (RFQ) 8074Q was posted to BC Bid and the City of Richmond's Bids and Tenders platform on July 7, 2022. The RFQ required bidders to propose fixed rates for the initial three-year term of the contract, and propose rates for years four and five. The RFQ also advised bidders that the City would retain the right to extend the scope of work to other City facilities should there be a need in the future.

Two quotations were received by the closing date from the following bidders:

- West Coast Elevator Services Ltd
- Richmond Elevator Maintenance Ltd

The RFQ requested bidders provide hourly rates for the required services, including fees to perform monthly elevator inspections, and estimated costs to supply parts and materials as needed.

Review Process

The City's designated representatives reviewed the submitted bids to confirm:

- each bidder's understanding of the services required;
- capacity to complete the work;
- ability to meet required deadlines;
- previous experience;
- quality of references; and
- proposed pricing.

The bid summary results of the RFQ are summarized in Table 1 below.

Table 1: Bid Summary Results

Company	Estimated Contract Value (excluding GST) Based on 3-Year Initial Term
West Coast Elevator Services Ltd.	\$326,154.00
Richmond Elevator Maintenance Ltd	\$331,785.00

Based on staff's review of the quotations received, the proposal received from West Coast Elevator Services Ltd. represents best value and favourable pricing for the City. West Coast Elevator Services Ltd., has provided elevator services to the City for the past four years and maintained sufficient capacity and the appropriate level of experience to perform the required services.

Financial Impact

Based on historical expenditures for the work under this contract, it is estimated that the total value of the proposed contract over a three-year term will be approximately \$326,154.00, plus contingency as summarized below in Table 2. A contingency has been applied to account for continued cost escalation of materials and parts, unplanned emergency repairs related to the City's ageing infrastructure and to allow for future additional buildings that may fall under the City's responsibility.

Table 2: Total Three-Year Term Cost

Year 2023	\$108,718.00
Year 2024	\$108,718.00
Year 2025	<u>\$108,718.00</u>
Subtotal	\$326,154.00
Contingency	<u>\$81,846.00</u>
Total (3 Years)	<u>\$408,000.00</u>

The City has the option to extend the proposed contract for two additional one-year terms. The estimated cost associated with this extension are summarized below in Table 3.

Table 3: Contract Extension Cost

Year 2026	\$114,408.00
Year 2027	<u>\$119,573.00</u>
Subtotal	\$233,981.00
Contingency	<u>\$59,019.00</u>
Total (2 Years)	<u>\$293,000.00</u>

The total amount for the maximum five-year term is \$701,000.00. The decision to extend the contract by an additional two years would be based on the Company's individual performance over the initial term.

The contract will be executed upon mutual consent of all parties. The Facility Services annual operating budget account will fund the contract, which is subject to yearly approval by Council. The actual expenditures of the contract for On-Call Elevator Contractor will be according to Council approved budgets. Upon contract expiration, excess funding shall be returned to the originating budget source.

Conclusion

This report presents the results of a competitive procurement process for 8074Q – On-Call Elevator Contractor. It is recommended that a contract be awarded to West Coast Elevator Services Ltd. for the initial three-year term for the provision of on-call elevator services. Inspection and upkeep of elevators is a mandated requirement and an essential part of the preventative maintenance program, which will extend the service life of all elevators and buildings.

A handwritten signature in blue ink, appearing to read 'JL', is positioned above the printed name of Jeff Lee.

Jeff Lee, CEM, RPA, FMA
Manager, Facility Services
(604-276-4027)

JL:mh