



Board Report

File #: A 18-441, Version: 1

- a. Authorize an increase to the total approved agreement amount for the elevator maintenance and repair service agreement with ThyssenKrupp Elevator Corporation, adding \$385,000 for a revised total amount not to exceed \$692,862.
- b. Ratify the emergency repair agreement with ThyssenKrupp signed on July 25, 2018 by the Chief Executive Officer of Natividad in the amount of \$25,218 for safety glass replacement and other critical repairs.
- c. Authorize the Deputy Purchasing Agent for NMC or his designee to execute Work Orders under this agreement with ThyssenKrupp for future repairs and component upgrades, provided County Counsel and the Auditor-Controller review and approve the Work Orders, and provided the total of such costs fall with the \$692,862 approved total agreement amount.

RECOMMENDATION:

It is recommended the Board of Supervisors:

- a. Authorize an increase to the total approved agreement amount for the elevator maintenance and repair service agreement with ThyssenKrupp Elevator Corporation, adding \$385,000 for a revised total amount not to exceed \$692,862.
- b. Ratify the emergency repair agreement with ThyssenKrupp signed on July 25, 2018 by the Chief Executive Officer of Natividad in the amount of \$25,218 for safety glass replacement and other critical repairs.
- c. Authorize the Deputy Purchasing Agent for NMC or his designee to execute Work Orders under this agreement with ThyssenKrupp for future repairs and component upgrades, provided County Counsel and the Auditor-Controller review and approve the Work Orders, and provided the total of such costs fall with the \$692,862 approved total agreement amount.

SUMMARY/DISCUSSION:

In 2015, upon approval from the Board of Supervisors, Natividad entered into a service agreement with ThyssenKrupp for elevator maintenance and repair services. The term of this agreement is January 1, 2015 through December 31, 2019, and although the agreement itself does not state a total dollar amount, the Board of Supervisors did approve a total agreement amount not to exceed \$307,862 as requested by Natividad originally for this agreement. That amount was projected using the then current rates for routine maintenance only. Since that time there have been annual increases in rates due to Consumer Price Index (allowed within the terms of the agreement) and unforeseen repair costs which were not originally accounted for in the original request to the Board of Supervisors for the total cost for this agreement.

Therefore, this request is for an increase to the previously approved total amount for the ThyssenKrupp agreement to account for past repairs performed as well as anticipated repair and component upgrade costs planned. Natividad is requesting to add an additional \$385,000, \$250,000 of which was approved by the Board of Supervisors in the Natividad Capital Budget for component upgrades. Planned elevator component upgrades are necessary considering the years in service and are likely to reduce the likelihood of future elevator system failures. The remainder of the increase being requested is to cover repairs already performed as well as minor unforeseen repairs which may be needed going forward. All future repair work including component upgrades will include prevailing wage requirements.

There is no amendment associated with this request because the agreement itself did not state a total dollar amount. The total is set by the Board of Supervisors.

In 2018 the State of California performed an inspection and ordered Natividad to replace the elevator safety glass. Around that same time a critical computer panel associated with two of the elevators failed and needed prompt repairing. ThyssenKrupp requested that Natividad sign Work Orders for these repairs so Natividad attached the Work Orders to an emergency agreement which referred back to the existing maintenance and repair agreement with ThyssenKrupp. It was important to reference the original maintenance and

repair agreement because that agreement contains all the previously approved terms and conditions including risk provisions. ThyssenKrupp agreed to this and Natividad executed the emergency service agreement promptly because of the safety concern and the fact that the repair was State mandated. The repair costs for this emergency repair work were paid using the regular purchase order issued for the ThyssenKrupp maintenance and repair agreement. Natividad will ensure that future repair Work Orders reference the existing agreement as well and include prevailing wage requirements.

OTHER AGENCY INVOLVEMENT:

County Counsel's office and the Auditor-Controller's office were both provided a copy of this Board Report for review. This request has been reviewed and approved by NMC's Finance Committee on October 25, 2018 and by its Board of Trustees on November 2, 2018.

FINANCING:

The cost for this request is \$385,000. \$315,000 was included in the Fiscal Year 2018-19 Adopted Budget for this agreement (\$250,000 allocated for component upgrades and \$65,000 for ongoing maintenance and repair work). Amounts for remaining years of the agreement will be included in those budgets as appropriate.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Elevator at Natividad are used by staff, patients and visitors. Maintenance and repairs are necessary to ensure that Natividad's elevators operate reliably and safely.

- ☐ Economic Development
- ☐ Administration
- ☒ Health and Human Services
- ☐ Infrastructure
- ☐ Public Safety

Prepared by: Jeffrey Cleek, Director of Engineering and Safety, 783-2614

Approved by: Gary R. Gray, DO, Chief Executive Officer, 783-2504

Attachments:

ThyssenKrupp Elevator Maintenance and Repair Agreement

ThyssenKrupp Emergency Repair Agreement

Attachments on file with the Clerk of the Board