



EXECUTIVE SUMMARY

HOUSING COMMISSION EXECUTIVE SUMMARY SHEET

MEETING DATE: May 1, 2020

HCR20-027

SUBJECT: Award of Contract for Elevator Modernization with 24 Hour Elevator, Inc.

COUNCIL DISTRICT: 3

ORIGINATING DEPARTMENT: Real Estate

CONTACT/PHONE NUMBER: Jennifer McKinney/619-578-7162

REQUESTED ACTION:

Award a contract to 24 Hour Elevator, Inc. for the elevator modernization project at 1122 Broadway, Smart Corner, the San Diego Housing Commission's headquarters office building at a contract cost of \$554,000.

EXECUTIVE SUMMARY OF KEY FACTORS:

- The San Diego Housing Commission's (Housing Commission) headquarters office building is known as the "Smart Corner." Smart Corner was constructed in 2007 and has three elevators providing service to the building, including two traction elevators and one hydraulic elevator.
- In recent years, a number of service issues have occurred with all elevators. The increasing number of repairs to the equipment is an indicator that the elevator components are approaching the end of their useful lifespan.
- On December 30, 2019, the Housing Commission issued a Request for Proposals (RFP) for Elevator Modernization at Smart Corner. At the time proposals were due on February 10, 2020, the Housing Commission received two proposal responses. The Evaluation Committee determined that 24 Hour Elevator, Inc. was the best overall value. Further, the cost proposal has been determined to be fair and reasonable, based on the independent cost estimation provided by a consultant.
- The funding sources and uses proposed for approval by this action were included in the Housing Authority-approved Fiscal Year 2020 budget and will be included in the Fiscal Year 2021 budget to be submitted for approval.



REPORT

DATE ISSUED: April 23, 2020

REPORT NO: HCR20-027

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of May 1, 2020

SUBJECT: Award of Contract for Elevator Modernization with 24 Hour Elevator, Inc.

COUNCIL DISTRICT: 3

REQUESTED ACTION

Award a contract to 24 Hour Elevator, Inc. for the elevator modernization project at 1122 Broadway, Smart Corner, the San Diego Housing Commission's headquarters office building at a contract cost of \$554,000.

STAFF RECOMMENDATION

That the San Diego Housing Commission (Housing Commission) take the following actions:

- 1) Approve the award of a contract to 24 Hour Elevator, Inc. in the amount of \$554,000 for the elevator modernization project at the Housing Commission's office building located at 1122 Broadway, San Diego, 92101;
- 2) Authorize the President & Chief Executive Officer (President & CEO), or designee, to substitute the identified contract funding sources with other available funding sources so as long as the total activity budget amount after substitution does not exceed the total approved budget, should the operational need arise or should actions be to the benefit of the Housing Commission and its mission; and
- 3) Authorize the President & CEO, or designee, to execute all documents and instruments that are necessary and/or appropriate to implement these approvals, in a form approved by General Counsel, and to take such actions as are necessary and/or appropriate to implement these approvals.

SUMMARY

The Housing Commission's headquarters office building is known as the "Smart Corner" and consists of five stories of Class A office space over a four-story subterranean parking garage. Smart Corner was constructed in 2007 and has three elevators providing service to the building, including two traction elevators and one hydraulic elevator. In recent years, a number of service issues have occurred with all elevators. The increasing number of repairs to the equipment is an indicator that the elevator components are approaching the end of their useful lifespan.

Due to the technical nature of the project, the Housing Commission contracted with LIFT Elevator Consulting to assist with defining the scope of work, cost estimating, and drafting specifications for the solicitation. The Housing Commission intends to have LIFT serve as both construction manager and contract manager through the project deadline. The elevator modernization scope of work calls for the

April 23, 2020

Award of Contract – Elevator Modernization Project, Smart Corner.

Page 2

replacement of critical components, including new controllers, door equipment and fixtures. This project is anticipated to conclude in early 2021.

On December 30, 2019, the Housing Commission issued a Request for Proposals (RFP) for Elevator Modernization at Smart Corner. The Housing Commission placed the RFP on the PlanetBids vendor portal system, where six notifications were sent to contractors that held the “C-11” specialty license to modernize elevator equipment. A total of four companies became plan holders. On January 15, 2020, a pre-proposal meeting was held, followed by a site walk of the building. Representatives from three companies attended this pre-proposal meeting.

At the time proposals were due on February 10, 2020, the Housing Commission received two proposal responses from the below-listed firms:

Proposer	Responsive Bidder
24 Hour Elevator, Inc.	Y
ThyssenKrupp Elevator Corporation	Y

An Evaluation Committee subsequently evaluated, scored and ranked the proposal responses based on the following criteria: Qualifications & Experience, Technical Competencies and Cost. Below is the proposal ranking summary for each company. The summary represents the Evaluation Committee members’ final ranking.

Proposer	Ranking
24 Hour Elevator, Inc.	1
ThyssenKrupp Elevator Corporation	2

The Evaluation Committee determined that 24 Hour Elevator, Inc. was the best overall value. Further, the cost proposal has been determined to be fair and reasonable, based on the independent cost estimation provided by the consultant. In addition, Housing Commission staff negotiated a faster turnaround, reducing the project completion schedule by seven weeks at no additional cost to the Housing Commission. Housing Commission staff recommend 24 Hour Elevator, Inc. for the award of this contract.

FISCAL CONSIDERATIONS

The funding sources and uses proposed for approval by this action were included in the Housing Authority-approved Fiscal Year 2020 budget and will be included in the Fiscal Year 2021 budget to be submitted for approval. Funding sources and uses will be as follows:

Fiscal year 2020 funding sources:		
Local Unrestricted Funds	\$	250,000
Fiscal year 2020 funding uses:		
Property Expenses	\$	250,000
Fiscal year 2021 funding sources:		
Local Unrestricted Funds	\$	304,000
Fiscal year 2021 funding uses:		
Property Expenses	\$	304,000
Total Sources - Local Unrestricted Funds	\$	554,000
Total Uses - Property Expenses	\$	554,000

EQUAL OPPORTUNITY/CONTRACTING

24 Hour Elevator, Inc. is a local business. 24 Hour Elevator has submitted the required EOC forms and Workforce Report.

ENVIRONMENTAL REVIEW

This contract would not have the potential for causing a significant effect on the environment pursuant to State CEQA Guidelines Section 15301 (Existing Facilities), which allows the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use. Processing under the National Environmental Policy Act is not required as no federal funds are involved in this action.

Respectfully submitted,

Approved by,



Jennifer McKinney
Vice President, Real Estate Operations
Real Estate Division Property Management Department

Jeff Davis
Executive Vice President & Chief of Staff
San Diego Housing Commission

Docket materials are available online in the “Governance & Legislative Affairs” section of the San Diego Housing Commission website at www.sdhc.org.