



Los Angeles  
World Airports

BOARD FILE NO. DA-5437

RESOLUTION NO. 26960

BE IT RESOLVED that, on recommendation of Management, the Board of Airport Commissioners approved a two (2)-year Contract with KONE Inc., under the terms and conditions of Kansas City, Missouri General Services Department Contract EV2516, pursuant to Omnia Partners cooperative arrangement, covering provision of all material, labor and supervision required for a pilot program to provide full service maintenance, repair and related services for elevators, escalators and moving walkways at Los Angeles International Airport and Van Nuys Airport, for cost not to exceed \$16,850,000, as referenced in the Board-adopted staff report attached hereto and made part hereof; and

LAX  
Van Nuys  
City of Los Angeles

BE IT FURTHER RESOLVED that the Board authorized the Interim Chief Executive Officer to execute said Contract with KONE Inc. after approval as to form by the City Attorney; and

Eric Garcelli  
Mayor  
Board of Airport  
Commissioners  
Sean O. Burton  
President

BE IT FURTHER RESOLVED that this action is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Article III, Class 1(32) of the Los Angeles City CEQA Guidelines; and

Valeria C. Velasco  
Vice President

BE IT FURTHER RESOLVED that the Board found that this action is exempt from competitive bidding requirements as per Los Angeles City Charter 371(e)(8) and Administrative Code §10.15(a)(8) in that it is a contract for a cooperative arrangement with another government agency, for utilization of a purchasing contract of that agency; and

Gabriel L. Eshaghian  
Beatrice C. Hsu  
Nicholas P. Roxborough  
Dr. Cynthia A. Telles  
Karim Webb

BE IT FURTHER RESOLVED that the Board further found that the work can be performed more economically or feasibly by an independent contractor than by City employees; and

Justin Erbacci  
Interim Chief Executive Officer

BE IT FURTHER RESOLVED that the Board further found that this action is exempt from competitive bidding requirements as per City of Los Angeles Administrative Code §10.15(a)(10) in that under these circumstances competitive bidding would be undesirable because of the superior purchasing power offered under the Omnia Partners governmental cooperative arrangement; and

BE IT FURTHER RESOLVED that this action is subject to the provisions of Los Angeles City Charter Sections 245.


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I hereby certify that this Resolution No. 26960 is true and correct, as adopted by the Board of Airport Commissioners at its Regular Meeting held on Thursday, February 20, 2020.

Grace Miguel – Secretary  
BOARD OF AIRPORT COMMISSIONERS



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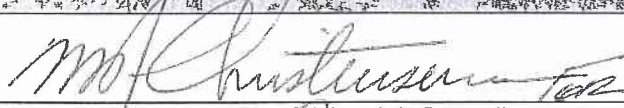
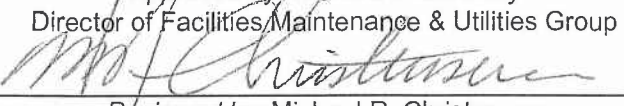
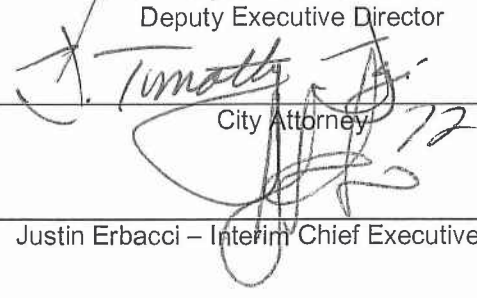


**Los Angeles World Airports**

**REPORT TO THE**

**BOARD OF AIRPORT COMMISSIONERS**

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<div style="text-align: center;">   <hr/> <p>Approved by: Richard J. Connolly Director of Facilities, Maintenance &amp; Utilities Group</p>   <hr/> <p>Reviewed by: Michael R. Christensen Deputy Executive Director</p>   <hr/> <p>Justin Erbacci – Interim Chief Executive Officer</p> </div>	<p><u>Meeting Date:</u></p> <p style="text-align: center;">2/20/2020</p> <hr/> <p><u>CAO Review:</u></p> <table style="width: 100%;"> <tr> <td style="width: 50%;"><input type="checkbox"/></td> <td>Completed</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Pending</td> </tr> <tr> <td><input type="checkbox"/></td> <td>N/A</td> </tr> </table> <hr/> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Reviewed for</u></th> <th style="text-align: left;"><u>Date</u></th> <th style="text-align: left;"><u>Approval Status</u></th> <th style="text-align: left;"><u>By</u></th> </tr> </thead> <tbody> <tr> <td>Finance</td> <td>1/3/2020</td> <td><input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NA</td> <td>RW</td> </tr> <tr> <td>CEQA</td> <td>1/3/2020</td> <td><input checked="" type="checkbox"/> Y <input type="checkbox"/> N</td> <td>PI</td> </tr> <tr> <td>Procurement</td> <td>1/7/2020</td> <td><input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> Cond</td> <td>LK</td> </tr> <tr> <td>Guest Experience</td> <td>1/22/2020</td> <td><input checked="" type="checkbox"/> Y <input type="checkbox"/> N</td> <td>BY</td> </tr> <tr> <td>Strategic Planning</td> <td>1/3/2020</td> <td><input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NA</td> <td>KV</td> </tr> </tbody> </table>	<input type="checkbox"/>	Completed	<input type="checkbox"/>	Pending	<input type="checkbox"/>	N/A	<u>Reviewed for</u>	<u>Date</u>	<u>Approval Status</u>	<u>By</u>	Finance	1/3/2020	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NA	RW	CEQA	1/3/2020	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	PI	Procurement	1/7/2020	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> Cond	LK	Guest Experience	1/22/2020	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	BY	Strategic Planning	1/3/2020	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NA	KV
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**SUBJECT: Approve Contract with KONE, Inc.**

Staff requests approval to join the City of Kansas City, Missouri, General Services Department Contract No. EV2516 with the KONE, Inc., pursuant to Omnia Partners cooperative arrangement, and award a two-year contract for the provision of all material, labor, and supervision required for a pilot program to provide full-service maintenance, repair, and related services for elevators, escalators, and moving walkways at Los Angeles International Airport and Van Nuys Airport for an amount not to exceed \$16,850,000.

**RECOMMENDATIONS:**

Management RECOMMENDS that the Board of Airport Commissioners:

1. ADOPT the Staff Report.
2. DETERMINE that this action is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Article III, Class 1 (32) of the Los Angeles City CEQA Guidelines.
3. FIND that this action is exempt from the competitive bidding requirements as per Los Angeles City Charter 371(e)(8) and Administrative Code §10.15(a)(8) in that this is a contract for a cooperative arrangement with another government agency, for utilization of a purchasing contract of that agency.

4. FURTHER FIND that the work can be performed more economically or feasibly by an independent contractor than by City employees.
5. FURTHER FIND that this action is exempt from the competitive bidding requirements as per City of Los Angeles Administrative Code §10.15(a)(10) in that under these circumstances competitive bidding would be undesirable because of the superior purchasing power offered under the Omnia Partners governmental cooperative arrangement.
6. APPROVE joining the City of Kansas City, Missouri, General Services Department Contract No. EV2516 with the KONE, Inc., pursuant to Omnia Partners cooperative arrangement, and award a two-year contract for the provision of all material, labor, and supervision required for a pilot program to provide full-service maintenance, repair, and related services for elevators, escalators, and moving walkways at Los Angeles International Airport and Van Nuys Airport for an amount not to exceed \$16,850,000.
7. AUTHORIZE the Interim Chief Executive Officer to execute the contract upon approval as to form by the City Attorney.

### **DISCUSSION:**

#### **1. Purpose**

The requested action will provide a pilot program for full-service maintenance, repair and related services for elevators, escalators, and moving walkways (conveyances) through a contract with KONE, Inc., at Los Angeles International Airport (LAX) and Van Nuys Airport (VNY). Staff will evaluate the effectiveness of this pilot program in keeping all conveyances safe and operational at an acceptable level of service in the most cost-effective manner possible and determine if this new contracting method should be continued and/or expanded along with the appropriate level of local and small business participation. Staff will then solicit proposals through a local Request for Proposals (RFP) process to secure a longer-term conveyance maintenance contract as soon as practical.

#### **2. Prior Related Actions**

- **September 17, 2013 – Resolution No. 25234 (DA-4856)**  
Los Angeles World Airports (LAWA) Board of Airport Commissioners (Board) awarded a five-year contract, with one (1) five-year renewal option, to Otis Elevator Company to maintain approximately ninety elevators, escalators, and moving walkways at LAX in Bradley West for an amount not to exceed \$7,683,845.
- **November 14, 2013 – Resolution No. 25264 (DA-4864)**  
LAWA Board awarded a three-year contract to Pacific Coast Elevator Corporation dba Amtech Elevator Services for elevator and escalator parts and service for LAX and VNY for an amount not to exceed \$5,925,000. DA-4864 expired on January 17, 2017.
- **December 1, 2016 – Resolution No. 26121 (DA-5161)**  
LAWA Board awarded a three-year contract to Elevators Etc., Inc. for parts and repair services for elevators, escalators and moving walkways at LAX and VNY for an amount not to exceed \$4,170,000. DA-5161 will expire on January 7, 2020.

- **June 27, 2017 – Resolution No. 26237 (DA-5194)**

LAWA Board awarded a five-year contract to Otis Elevator Company for extended preventive and routine maintenance, and on-call elevator repair services for the 52 elevators and associated parts and equipment installed as part of the “Phase III Elevator Upgrades and Site Modification Project” at LAX for an amount not to exceed \$3,852,255. Per Los Angeles City Charter Section 373, City Council approved this action June 27, 2017.

- **April 5, 2018 – Resolution No. 26458 (DA-5161A)**

LAWA Board approved the First Amendment to Contract DA-5161 with Elevators Etc., Inc. to increase the contract authority by \$5,185,000 for a new total not-to-exceed amount of \$9,355,000, covering parts and repair services for elevators, escalators, and moving walkways at LAX and VNY.

- **February 25, 2019 – Resolution No. 26696 (DA-5161B)**

LAWA Board approved the Second Amendment to Contract DA-5161 with Elevators Etc., Inc. to increase the contract authority by \$6,277,726 for a new total not to exceed amount of \$15,632,726 covering parts and repair services for elevators, escalators, and moving walkways at LAX and VNY.

- **December 19, 2019 – Resolution No. (DA-5161C)**

LAWA Board approved the Third Amendment to Contract DA-5161 with Elevators Etc., Inc. to extend the term by one year and increase the contract authority by \$3,500,000 for a new total not-to-exceed amount of \$19,132,726.

### 3. Current Action

The Facilities Maintenance and Utilities Group (FMUG) is responsible for ensuring that all 366 elevators, escalators, and moving walkways at LAX and VNY function safely and reliably for our tenants, guests, and employees. That number will grow to over 500 in the years ahead with the addition of the Midfield Satellite Concourse, terminal cores (starting with Terminal 1.5), a new Airport Police Department building, the Intermodal Transfer Facility (ITF) West, and various terminal improvement programs. Staff wishes to evaluate options to perform this maintenance in comparison to current FMUG practices. Other leading airports have determined that the best method to insure the safe, efficient, cost-effective operation of their conveyances is through the use of full-service maintenance agreements. Staff requests approval of a full-service maintenance pilot program in order to determine if this is the best method to be used for future LAWA maintenance conveyance programs.

Full-service maintenance agreements make the maintenance contractor responsible for meeting established levels of conveyance reliability through the design, implementation, and management of preventative maintenance (PM) programs, repairs, and on-site parts inventories for a fixed price. Such an agreement could also allow the integration of FMUG’s experienced Elevator Shop staff, who have considerable knowledge and familiarity with these conveyances but have limited numbers of available mechanics and supervisors, along with existing contracts that support conveyances still under warranty and/or provide local and small business opportunities.

While a full-service maintenance contract appears to be preferable, this methodology is new to LAWA and will require a transition period and possible adjustments based on lessons

learned. For this purpose, staff recommends an initial full-service maintenance contract pilot program with a term of two years. Near the mid-point of this term, staff will assess the effectiveness of this methodology, collect "lessons learned", determine appropriate small and local business set-asides, confirm the desire to continue and/or expand this approach, develop a LAWA-issued Request for Proposals (RFP) for a longer-term full-service maintenance agreement, and begin the procurement process for this contract. This procurement process will take about one year. Staff will bring this longer-term contract to the Board prior to the expiration of the pilot program full-service maintenance agreement requested herein.

### **Background**

FMUG's Facility Technical Services Division (FTSD) has used a combination of methods to ensure that essential conveyance maintenance and repair services are available to augment FMUG's Elevator Shop staff. These include two agreements with Otis Elevator Company performing preventative maintenance on selected conveyances; a rapidly expanding contract with Elevators Etc., Inc. to augment the Elevator Shop staff in preventative maintenance and repairs; and various warranty agreements with conveyance manufacturers and terminal construction contractors.

Conveyance warranties from the 2017 Terminal 1 and Terminal 7 renovations along with maintenance agreements from a variety of new conveyance installations have expired resulting in the FMUG Elevator Shop becoming responsible for these monthly and annual PM's and repairs. This has increased the amount of work handled by FMUG's Elevator Shop staff along with the work covered under our conveyance maintenance contracts.

Workload is also increasing due to new conveyance equipment soon to be commissioned on currently active construction projects such as:

- 85 conveyances for Midfield Satellite Concourse (MSC)
- 17 conveyances for Terminal 1.5 Core
- 4 conveyances for the new Airport Police Facility
- New conveyances coming on line in other Terminal Cores and the ITF West

Although this new equipment will be under warranty during this contract period, the FMUG Elevator Shop and Elevators Etc. will be responsible 24/7/365 for first response with entrapments, re-starts, slip and falls, and other response requests taking them away from scheduled PM and repair of other conveyance equipment. LAWA must also purchase and maintain an increasing stock of critical spare parts to help expedite the repair of conveyances in order to return equipment to service as quickly as possible. Staff also uses additional contracted services for the cleaning of escalators and moving walkways to help keep steps safe, void of slippery substances, and attractive.

The new generation of elevators, escalators, and moving walkways use sophisticated electronics as part of their operation as compared to older generation units. These features add to the safety, energy efficiency, and functionality of the units. These devices include redundant safety switches, Programmable Logic Controllers (PLC), Variable Frequency Drives (VFD), and safety circuits that operate within minimal tolerances. These features require routine inspections, adjustments and cleaning to ensure proper operation. In order to operate these conveyances 24/7/365 at acceptable levels, the equipment requires regular preventative maintenance along with specialized diagnostic and repair personnel, which

subsequently requires more (often specialized) labor hours to perform compared to the older generation units.

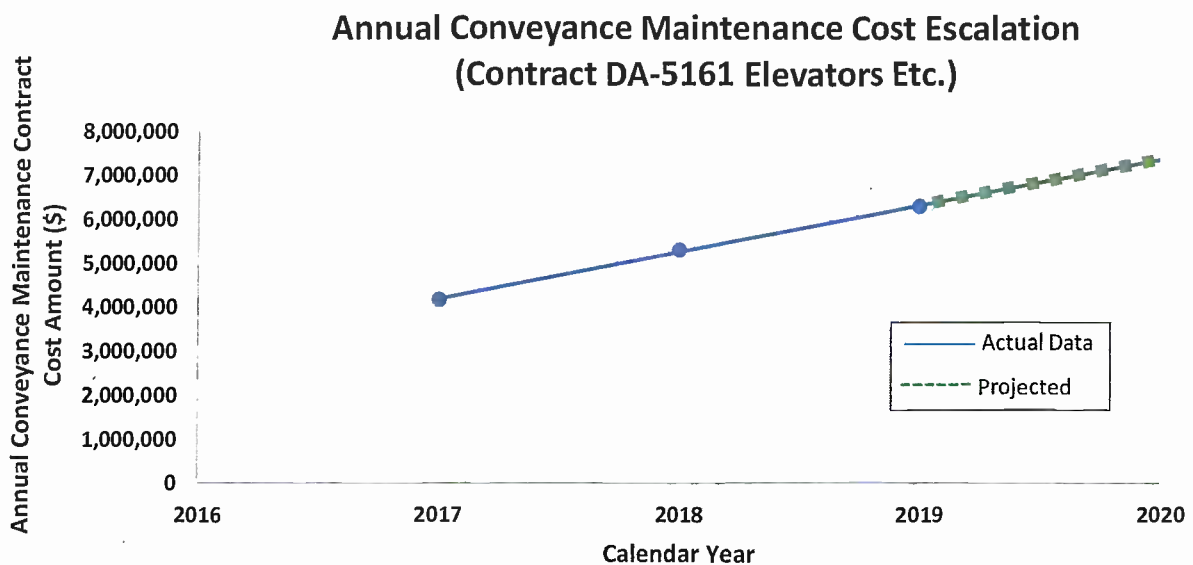
The FMUG Elevator Shop has 35 authorized positions - 18 Elevator Mechanics and 17 Elevator Mechanic Helpers - to perform preventative and corrective maintenance and respond to an average of 50 to 60 service calls each 24-hour period. Over the past several years, LAWA has had increasing difficulty in attracting and retaining qualified internal staff to perform these services, despite the implementation of a LAWA-only bonus program approved for elevator mechanics, supervisors, and helpers. This is due primarily to private industry paying more (upwards of 100% more depending on experience) as opposed to City of Los Angeles salaries along with demanding off-shift hours required at LAX. FMUG Elevator Shop has averaged in excess of 10 vacancies over the past three years.

In October 2017, due to the large number of vacancies in the FMUG Elevator Shop along with the increasing number of LAWA-maintained conveyances, LAWA increased the deployment of contractor crews provided by Elevators Etc. Inc. from a level of two, 2-person crews to three, 2-person crews. At the end of December 2017, due to the service call demands, the level increased to five, 2-person crews.

Under the current arrangement, all contracted work is performed on a time-and-material basis resulting in escalating annual costs. The table below illustrates this conveyance contract (Elevators Etc., Inc.) cost escalation over the last three years. This trend is projected to continue in the years ahead absent the implementation of a full-service maintenance pilot.

**Conveyance Maintenance Cost Escalation (Contract DA-5161 Elevators Etc., Inc.)**

Calendar Year	Contract (New) Amount	Amended Amount	Percentage Increase over Original
2017	4,170,000		0
2018	9,450,500	5,285,000	126%
2019	15,732,726	6,277,726	277%



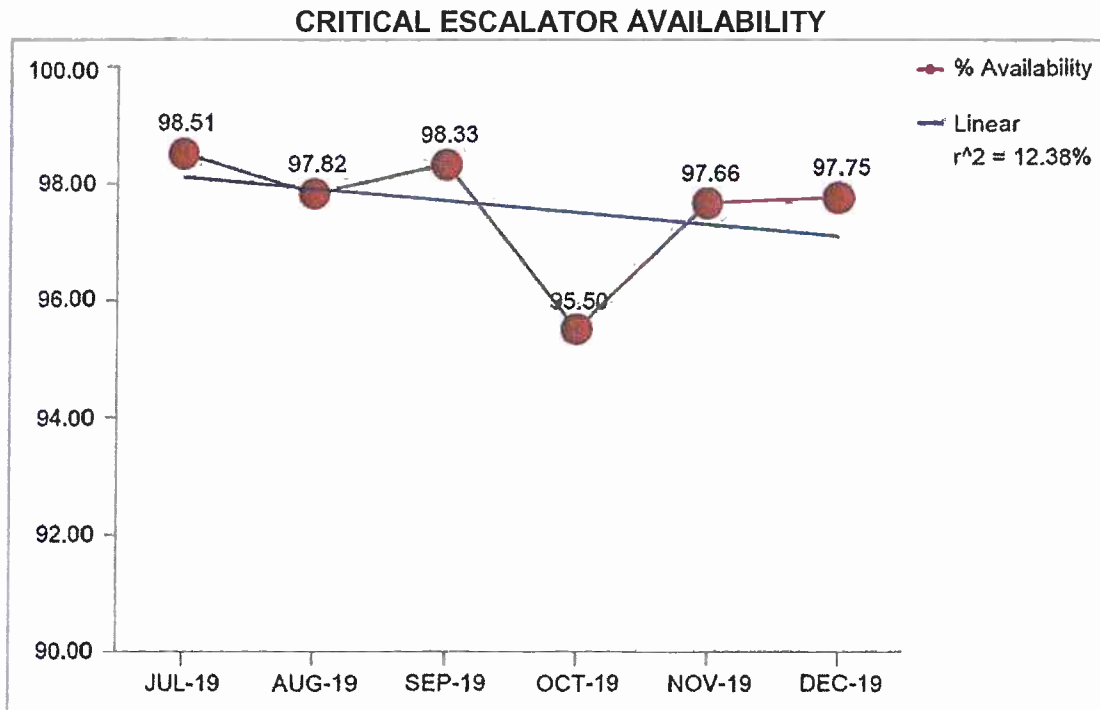
FMUG Elevator Shop employees have expended considerable overtime in servicing and repairing conveyances as noted in the table below. Staff will closely monitor Elevator Shop overtime during the pilot program to quantify any overtime reductions and determine if any such reductions can be tied to the full-service maintenance contract pilot.

**FMUG Elevator Shop Overtime Trends**

FY	Total YTD OT Paid	Total YTD Non OT Hours Paid*
16/17	409,283	4,279,542
17/18	388,191	3,960,256
18/19	474,956	4,642,027
19/20**	260,558	2,254,090
<b>Total</b>	<b>\$1,532,990</b>	<b>\$15,135,915</b>
<b>Forecast FY 20-21</b>	<b>\$212,071</b>	<b>\$4,368,595</b>

\*Calculated with annual benefit rates  
 \*\*Through December 2019

FMUG monitors conveyance performance metrics to insure performance levels meet operational requirements and guest expectations. Of particular interest are the category of conveyances termed "critical" due to their strategic locations, lack of redundancy, and importance in high-priority passenger flow. Despite the considerable costs and resources being expended on conveyance maintenance, the key metric of "Critical Conveyance Availability" is trending downward for Critical Escalators as illustrated below.



FMUG's benchmarking of other airports pointed to the full-service contract approach as the preferred strategy in improving conveyance performance, particularly critical conveyances. The airport conveyance maintenance programs benchmarked by LAWA staff and executives included Atlanta, Toronto, Denver, Seattle, Phoenix, Sacramento, San Francisco, Dallas-Ft. Worth, and Houston. Staff will closely monitor the critical conveyance (particularly escalator) availability metric throughout the pilot program.

Staff will use this pilot program to confirm if conveyance maintenance can be more efficiently and cost-effectively performed through a predominantly lump-sum full-service maintenance contract. During the pilot program, FMUG Elevator Shop staff, assisted by the current small and local business contractor, Elevators Etc., Inc. working on a time-and-material basis, will continue to handle rapid-response repairs, preventative and corrective maintenance, and targeted high-priority non-standard tasks outside of the units maintained by KONE, Inc.

KONE, Inc., the full-service maintenance contractor, will assume the responsibility, and associated risks, with delivering conveyance performance at or above 97% availability for the 245 conveyances under the pilot program contract. Staff will evaluate compliance with this availability requirement and adjust it appropriately for the follow-on contract RFP. Staff will also monitor compliance with the 5% and 7.5% respective annual small local business pilot program contract requirements and be prepared to include an appropriate small local business set-aside in the RFP to be issued for the follow-on contract.

#### ***KONE, Inc. Scope of Services***

The KONE, Inc. pilot program contract scope of services will provide staff with experience and data while using a new strategy which incorporates a comprehensive conveyance support solution which also provides the ability to scale the services as needed. If additional LAWA staff are hired, management can decrease the services required from KONE, Inc., if desired by LAWA. During the term of the proposed contract, LAWA will commission and put into service the Midfield Satellite Concourse (MSC), the T1.5 Core, the Airport Police Department facility, and possibly other terminal cores, raising the conveyance inventory to over 500 elevators, escalators, and moving walkways. More conveyances will be added in the years to follow. This scalability is a key option for staff to ensure the delivery of critical operational, safety, and guest experience requirements in the most efficient manner.

This pilot program contract will also provide staff the ability to phase out the use of multiple time-and-material (T&M) contracts to manage the large volume of conveyances at LAX and VNY. Staff will be able to focus primarily on managing one contract for this critical function without having to be in a state of continual T&M invoice review or procurement for services, thereby focusing resources on ensuring conveyances are safely, efficiently, and cost effectively maintained.

For this two-year pilot program contract, KONE, Inc. will provide the management, labor, parts, and reports/metrics for full preventative maintenance and repair services for 245 conveyances, which includes, but is not limited to the following scope and methods:

- Regular scheduled full maintenance (excluding vandalism/abuse) monthly, quarterly, and annually\*;
- Repairs, parts, and call out service;
- Escalators and moving walkway cleaning and handrail replacement;

- KONE Inc. on-site Parts Inventory storage (for all conveyance manufacturers);
- Storage of replacement parts and tools in trailers near LAX;
- KONE, Inc. -performed initial survey and repair of the equipment;
- Equipment will be serviced in three shifts by 12-14 full-time technicians with schedules approved by FMUG;
- PM service and repairs will be performed predominantly during "Graveyard" shift; and
- As-needed backup maintenance for the additional 121 units maintained by the SBE/LBE T&M contractor and internal staff based on fixed labor rates.

After initial surveys and repairs, all PM, troubleshooting, repairs, and parts for the 245 conveyances will be covered by the full-service agreement at a fixed price. Other airports benchmarked advised that this is the key advantage of this type of contract compared to LAWA's existing T&M contracts which do not include this comprehensive coverage.

The table below displays the breakdown of costs associated with this two-year pilot program contract:

**Proposed Pilot Program Contract Costs (KONE, INC.)**

<i>Services to be Performed</i>	<i>Number of Units</i>	<i>Monthly Rate*</i>	<i>Annual Rate*</i>
<b>Full-Service Maintenance</b>	245	\$ 702,083	\$ 8,425,000
<b>Estimated Callout/Repairs/Entrapments</b>	121 Other Conveyances	\$ 31,750	\$ 381,000
Conveyances includes elevators, escalators, moving walkways Line items are for explanative purposes only and may change depending on needs of FTSD *Rate amounts are based on costs averaged over two years			
<i>Breakdown of services per year</i>		<i>Year-1</i>	<i>Year-2</i>
Full Maintenance Service, 245 units		\$ 8,250,000	\$ 8,600,000
As needed Parts & Svc outside of Full Maintenance		\$ 100,000	\$ 312,000
Pre-Existing Condition Repair Parts		\$ 150,000	
Pre-Existing Condition Repair Labor		\$ 200,000	
<b>Totals</b>		<b>\$ 8,700,000</b>	<b>\$ 8,912,000</b>

The KONE, Inc. costs reflect the hourly call out rates for non-preventative maintenance. The full two-year rate tables are located in the OMNIA agreement, Exhibit 3 (below), and are based on the Board approving a two-year contract. In regards to the call-out rates, LAWA only pays the difference between the normal hourly rate and the premium. For example, if KONE, Inc.'s called out on a holiday, the rate shows \$440.49 per hour, but LAWA will only pay the difference in the rates of \$220.24 per hour due to the underlying agreement with OMNIA.

<b>KONE Inc.'s 2020 Hourly Rates for Non-Preventative Maintenance (per OMNIA agreement, Exhibit 3)</b>			
<b>Classification</b>	<b>Hourly Rate</b>	<b>Overtime Rate</b>	<b>Sunday/Holidays</b>
<b>Licensed Mechanic</b>	\$ 220.25	\$ 374.42	\$ 440.49
<b>Mechanic Helper</b>	\$ 184.77	\$ 314.10	\$ 369.53
<b>Adjuster</b>	\$ 241.36	\$ 410.32	\$ 482.73

### **Cost Per Unit**

Staff conducted an analysis on the current method of maintaining conveyances at LAX as compared to the full-service model offered by KONE, Inc. for this pilot program. The table below shows the comparison based on all associated current costs with the preventative and corrective maintenance, and divided by the number of conveyances:

#### **Conveyance Maintenance Cost Comparison**

<b>Cost Per Unit</b>	<b>FY2018-19</b>	<b>Cost</b>	<b>Conveyance Units</b>
Otis Bradley West PM Contract		\$1,787,590	92
Otis Phase-3 PM Contract		\$695,451	52
Otis T7 United Airlines/Hensel Phelps PM Contract		Paid under United/HP Contract	12
Elevators Etc.		\$5,625,004	145
Other Costs		\$146,580	
LAWA Elevator Shop		\$5,462,836	366
	<b>Total</b>	<b>\$13,717,461</b>	<b>366</b>
<b>Cost per Unit</b>		<b>\$37,479</b>	
KONE Full Service CY 2020			
	<b>Total</b>	<b>\$8,425,000</b>	<b>245</b>
<b>Cost per Unit</b>		<b>\$34,388</b>	

### **Small/Local Business Participation**

KONE, Inc. has agreed to start with a 5% local/small business participation for the first year with an escalation to 7.5% for the second year of the contract. KONE, Inc. has also agreed to continue to search for opportunities under this contract to expand that pledge percentage. This is in addition to the services that will be provided by the current small/local T&M contractor, Elevators Etc., Inc. Staff will gain experience through the first year of this KONE, Inc. contract in order to establish the proper level of small/local business set-aside to be included in the LAWA-issued RFP that will be distributed near the mid-point of this pilot program.

KONE, Inc. has applied for City of Los Angeles Local Business Entity (LBE) certification with LAWA. This application is currently in the review process.

It should be noted KONE, Inc. has a large local presence in the County of Los Angeles, with offices located in Glendale which have over 50 employees in that locale. The mechanics and technical staff who are employed under this contract are also local residents of the Los Angeles area.

### **Procurement Process**

On May 1, 2018, The City of Kansas City, Missouri, Procurements Services Division issued RFP #EV2516 to establish a national cooperative contract for Elevator and Escalator Maintenance and Services. The solicitation included cooperative purchasing language in Section 3-U.S. Communities and Section 22-Cooperative Procurement with other

jurisdictions. The City of Kansas City published a notice of the solicitation to potential bidders across the country, as well as advertised in the following media outlets:

- City of Kansas City website
- U.S. Communities website
- Business Tribune, Oregon
- Daily Journal of Commerce, Washington
- Honolulu Star-Advertiser, Hawaii
- The Advocate-New Orleans Louisiana

Using the evaluation criteria established in the RFP, the committee elected to enter into negotiations with KONE, Inc., and proceeded with contract award upon successful completion of negotiations. The City of Kansas City, OMNIA partners and KONE, Inc. successfully negotiated a contract with the City of Kansas City and executed the agreement with a contract effective date of December 1, 2018. As information, KONE, Inc.'s currently a contractor with the City of Los Angeles' General Services Department (GSD) procured through this same cooperative contracting process.

#### ***Action Requested***

Staff requests that the Board approve LAWA joining the City of Kansas City Contract No. EV2516 and award a two-year contract to the KONE, Inc., and authorize the Chief Executive Officer to execute the contract for all material, labor, and services required to provide a pilot program for full-service maintenance, repair and related services for elevators, escalators, and moving walkways at LAX and VNY for an amount not to exceed \$16,850,000.

#### ***Fiscal Impact***

Staff will recover costs incurred under this contract through landing fees and terminal rates and charges, as well as through non-aeronautical revenues.

#### **4. Alternatives Considered**

- ***Join Contract with Nashville and Davidson County, TN***  
Staff researched options when considering a comprehensive conveyance solution such as the Metropolitan Government of Nashville and Davidson County, TN Contract No. 384899 with Otis Elevator Company. After consultation with the City Attorney, staff deemed the scope of work to be too narrow to fit the needs of LAWA and did not provide the scalability or flexibility needed for LAX/VNY specific conditions.
- ***Solicit Proposals***  
Staff will develop a scope of services for a LAWA-specific contract through the Request for Proposals process. The pilot program requested by staff in this report will provide LAWA with real world data and findings that will be incorporated into the final scope and request for services. Staff will advertise this RFP as soon as possible. Procurements of this nature typically take approximately one year.

#### **APPROPRIATIONS:**

For the fiscal year 2019-20, funds are available in LAX Cost Center 1150063 – Facilities and Technical Services Division, Commitment Item 520 – Contractual Services and in VNY Cost Center 1400003 – VNY Construction & Maintenance Services, Commitment Item 522 – Materials

& Supplies. Funding for subsequent years will be requested through the annual operating budget process.

**STANDARD PROVISIONS:**

1. Installation, maintenance or modification of mechanical equipment and public convenience devices and facilities which are accessory to the use of the existing structures or facilities and involve negligible or no expansion of use is categorically exempt from California Environmental Quality Act (CEQA) requirements pursuant to Article III, Class 1 (32) of the Los Angeles City CEQA Guidelines.
2. This proposed document(s) is/are subject to approval as to form by the City Attorney.
3. Actions taken on this item by the Board of Airport Commissioners will become final pursuant to the provisions of Los Angeles City Charter Section 245.
4. KONE, Inc. will comply with the Service Contractor Worker Retention and/or Living Wage Ordinance.
5. Procurement Services has reviewed this action (File No. 10045326). No Business Enterprise goals for this project have been established.
6. KONE, Inc. will comply with the provisions of the Affirmative Action Program.
7. KONE, Inc. has been assigned Business Tax Registration Certificate No.0000578473-0001-1.
8. KONE, Inc. will comply with the provisions of the Child Support Obligations Ordinance.
9. KONE, Inc. must have approved insurance documents, in the terms and amounts required, on file with the Los Angeles World Airports prior to the issuance of a Notice to Proceed.
10. Pursuant to Charter Section 1022, staff determined the work specified on the proposed contract can be performed more feasibly or economically by an Independent Contractor than by City employees.
11. KONE, Inc. has submitted the Contractor Responsibility Program Questionnaire and Pledge of Compliance and will comply with the provisions of the Contractor Responsibility Program.
12. KONE, Inc. must be determined by Public Works, Office of Contract Compliance, to be in compliance with the provisions of the Equal Benefits Ordinance prior to execution of contract.
13. KONE, Inc. will be required to comply with the provisions of the First Source Hiring Program for all non-trade LAX Airport jobs.
14. KONE, Inc. has submitted the Bidder Contributions CEC Form 55 and will comply with its provisions.
15. KONE, Inc. has submitted the Iran Contracting Compliance Affidavit and will comply with its provisions.

**CONTRACT BETWEEN THE CITY OF LOS ANGELES AND KONE INC. FOR THE  
MAINTENANCE, SERVICE AND REPAIR OF THE ELEVATORS, ESCALATORS  
AND MOVING WALKWAYS AT LOS ANGELES  
INTERNATIONAL AIRPORT AND VAN NUYS AIRPORT**

THIS CONTRACT ("Contract"), made and entered into this 17 day of March, 2020 ("Effective Date") at Los Angeles, California, by and between the **CITY OF LOS ANGELES**, a municipal corporation and charter city (the "City"), acting by order of and through its Board of Airport Commissioners (the "Board") of the Department of Airports (also known as Los Angeles World Airports or "LAWA"), and **KONE INC.**, with its principal place of business in California located in Glendale, California ("Contractor").

**RECITALS**

WHEREAS, the City desires to obtain elevator, escalator and moving walkway maintenance, repair and related services at Los Angeles International Airport ("LAX") and Van Nuys Airport ("VNY")(collectively, "Airports"); and

WHEREAS, on May 1, 2018, the City of Kansas City, Missouri ("Kansas City"), on behalf of Omnia Partners, formerly U.S. Communities Government Purchasing Alliance, local and state governmental agencies issued Request for Proposal No. EV2516 ("RFP"), soliciting proposals to establish a national cooperative contract for elevator, escalator and walkway maintenance and modernization services, inspections services and related solutions ("Products and Services");

WHEREAS, pursuant to a competitive bidding and selection process, Kansas City and Contractor executed Facility Repair and Maintenance Contract EV2516 (the "Master Contract") to provide the above-referenced Products and Services to participating public agencies; and

WHEREAS, the City is a participating public agency and has entered into a Master Intergovernmental Cooperative Purchasing Agreement (MICPA) outlining the terms and conditions that allow access to the Master Contract; and

WHEREAS, per Charter § 371(e)(8), the competitive bidding requirements of Charter § 371 do not apply to contracts for cooperative arrangements with other governmental agencies for the utilization of, among other contracts, the expert or technical services contracts of those agencies and any implementing agreements; and

WHEREAS, the City and Contractor agree that the Master Contract is a vehicle by which City may contract directly with Contractor to perform the elevator, escalator and walkway maintenance and modernization services, inspections services, and provide associated products and supplies, sought by the City; and

WHEREAS, LAWA has reviewed the Master Contract and has determined that it is in the City's best financial interest to contract with Contractor for the purchase of the Products and Services pursuant to the terms set forth in the Master Contract.

NOW, THEREFORE, Contractor and LAWA agree and hereby contract for the City to purchase the facility, maintenance, repair and operation services pursuant to the following terms and conditions:

**Section 1.0 Term of Contract.** Notwithstanding any other provision herein, the term of this Contract shall commence on the Effective Date, and shall expire upon the expiration or earlier termination of the Master Contract, including any extensions or exercise of options thereto, but no later than two (2) years after the Effective Date; subject, however, to earlier termination as provided herein.

**Section 2.0 Contractor Scope and Fee.**

2.1 Contractor agrees to provide complete elevator, escalator and walkway maintenance and modernization services, inspections services and related solutions, including all related products and supplies, to LAWA at the Airports under the contractual terms and conditions set forth in the Master Contract and exhibits thereto (if applicable) and the Statement of Work titled "Elevator, Escalator, and Moving Walkway Maintenance and Services for Los Angeles World Airports" ("Statement of Work"). For the convenience of the parties, the Master Contract and the exhibits thereto (collectively, "Master Contract Documents") are attached hereto as Exhibit A and the Statement of Work is attached hereto as Exhibit B. The Master Contract Documents and the Statement of Work are incorporated by reference as though set forth fully herein. In the event of a conflict between the terms and conditions of this Contract (inclusive of the Statement of Work) and the terms and conditions of the Master Contract Documents, all conflicts shall be resolved in favor of this Contract and all of its amendments, if any, over the Master Contract Documents.

2.2 The City shall pay Contractor for the Products and Services supplied by Contractor pursuant to this Contract in accordance with the terms of the Master Contract Documents and the Statement of Work. The fees to be paid Contractor by the City for the Services and associated products and supplies provided under this Contract shall not exceed Sixteen Million Eight Hundred Fifty Thousand and 00/100 Dollars (\$16,850,000.00) for the term of the Contract.

2.3 The stated amounts described in the Master Contract Documents and the Scope of Work are deemed to include all provisions for Contractor's compensation for the services, products and supplies provided under this Contract including, without limitation, fringe benefits, all out-of-pocket expenses, and overhead costs. The City is not obligated to pay for Contractor's time or expenses associated with travel unless specifically authorized by advance written notice from LAWA.

2.4 LAWA reserves the right to require additional substantiation of any payment request submitted if, in the opinion of the Chief Executive Officer or his or her designee (the "CEO"), such would be in the best interest of the City. In order to verify charges incurred and invoiced by Contractor in the performance of this Contract, Contractor agrees to make pertinent books and records available to the LAWA's representative at LAWA's Office at the address listed below upon fifteen (15) days notice.

2.5 The City shall, upon receipt and following approval of each payment request, remit to Contractor, at the address specified in this Contract, the appropriate amount.

2.6 The City shall not be required to make payment(s) for any services, products or supplies if they have not yet been provided or if any services, products or supplies provided are deemed unsatisfactory by LAWA. The parties agree that the CEO shall make the final determination as to when Contractor's services, products or supplies or any part thereof are satisfactory to justify release of any given payment to Contractor under this Contract.

2.7 The prices offered for the purchase of products and supplies under this Contract shall be as low as that currently charged the Contractor's most favored customers for comparable items under similar terms and conditions. If, at the time products and supplies are provided under this Contract additional discounts are available to Contractor's other government and commercial customers, then, on condition that LAWA requests Contractor's then current list of lowest available prices from Contractor, the City will be offered the opportunity to purchase such products and supplies at such lower price as those charged to Contractor's most favored customers.

2.8 Contractor shall comply with all applicable laws, rules, regulations, and shall hold all necessary consultations and conferences with personnel or any and all City, county, state, or federal agencies, as applicable, which may have jurisdiction over, or be concerned with, elements of the work to be performed by Contractor under this Contract.

2.9 Contractor shall promptly pay, when due, any and all amounts payable for labor and material furnished in the performance of this Contract, so as to prevent or make unnecessary the filing of any claim, lien, or notice to withhold, as provided under and by virtue of the applicable provisions of the California Civil Code (commencing with Section 9000), and Contractor shall promptly pay all amounts due under the Unemployment Insurance Act with respect to such work or labor.

2.10 LAWA is not obligated to pay for Contractor's time, mileage, or other expenses associated with travel unless specifically authorized by advance written notice from LAWA. All travel must be in conformity with Los Angeles Administrative Code §§ 4.220 through 4.242.8.

**Section 3.0 Notices.**

3.1 Notice to the City. Written notices to LAWA hereunder, with a copy to the City Attorney of the City of Los Angeles, Airport Division, shall be given by registered or certified mail, postage prepaid, and addressed to:

**Department of Airports  
1 World Way  
Post Office Box 92216  
Los Angeles, CA 90009-2216**

**Office of the City Attorney  
Airport Division  
1 World Way  
Post Office Box 92216  
Los Angeles, CA 90009-2216**

or to such other address as City may designate by written notice to Contractor.

3.2 Notice to Contractor. Written notices to Contractor hereunder, with a copy to the City Attorney of the City, shall be given by registered or certified mail, postage prepaid, and addressed to:

**KONE Inc.  
Attn: Matt Smalling, Sr., Sales Executive  
Los Angeles Branch  
1821 Tyburn Street  
Glendale, CA 91204  
Matt.smalling@kone.com**

or to such other address as Contractor may designate by written notice to LAWA.

3.3 The execution of any such notice(s) by the CEO shall be as effective as to Contractor as if it were executed by the Board, or by resolution or order of the Board, and Contractor shall not question the authority of the CEO to execute any such notice(s).

3.4 All such notices, except as otherwise provided herein, may either be delivered personally to CEO with a copy to the Office of the City Attorney of the City, Airport Division, in the one case, or to Contractor in the other case, or may deposited in the United States mail, properly addressed as aforesaid with postage fully prepaid by certified or registered mail, return receipt requested, and shall be effective five (5) days after deposit in the mail.

**Section 4.0 Insurance.**

4.1 Contractor shall procure at its own expense, and keep in effect at all times during the Term of this Contract, the types and amounts of insurance specified on Insurance, Exhibit C, attached hereto and incorporated by reference herein.

4.2 The specified insurance (except for Workers' Compensation and Professional Liability) shall also, either by provisions in the policies, by City's own endorsement form or by other endorsement attached to such policies, include and insure City, LAWA, the Board, and all of City's officers, directors, employees and agents, their successors and assigns, as insureds, against the areas of risk described in this Section as respects Contractor's acts or omissions arising out of the performance of this Contract, Contractor's acts or omissions in its operations, use and occupancy of the premises hereunder or other related functions performed by or on behalf of Contractor at the Airport.

4.3 Waiver of Subrogation. For commercial general liability insurance, workers' compensation insurance, and employer's liability insurance, the insurer shall agree to waive all rights of subrogation against City for Losses arising from activities and operations of Contractor insured in the performance of Services under this Contract.

4.4 Sub-contractors. Contractor shall include all of its sub-contractors as insureds under its policies or shall furnish separate certificates and endorsements for each sub-contractor. All coverages for sub-contractors shall be subject to all of the requirements stated herein unless otherwise agreed to in writing by the CEO and approved as to form by the City Attorney.

4.5 Each specified insurance policy (other than Workers' Compensation and Employers' Liability) shall contain a Severability of Interest (Cross Liability) clause which states, "It is agreed that the insurance afforded by this policy shall apply separately to each insured against whom claim is made, or suit is brought, except with respect to the limits of the company's liability." Additionally, Contractor's Commercial General Liability policy ("Policy") shall provide Contractual Liability Coverage, and such insurance as is afforded by the Policy shall also apply to the tort liability of City assumed by the Contractor under this Contract.

4.6 All such insurance shall be primary and noncontributing with any other insurance held by LAWA where liability arises out of, or results from, the acts or omissions of Contractor, its agents, employees, officers, invitees, assigns, or any person or entity acting for, or on behalf of, Contractor.

4.7 Such policies may provide for reasonable deductibles and/or retentions acceptable to the CEO, based upon the nature of Contractor's operations and the type of insurance involved. .

4.8 City shall have no liability for any premiums charged for such coverage(s). The inclusion of City, LAWA, its Board, and all of its officers, directors, employees and agents, and their agents and assigns, as additional insureds, is not intended to, and shall not, make them, or any of them, a partner or joint venturer of Contractor in its operations at the Airport.

4.9 In the event Contractor fails to furnish LAWA evidence of insurance, or to maintain the insurance as required under this Section, LAWA, upon ten (10) days' prior written notice to Contractor of its intention to do so, shall have the right to secure the required insurance at the cost and expense of Contractor, and Contractor agrees to promptly reimburse the City for the cost thereof, plus fifteen percent (15%) for administrative overhead.

4.10 At least ten (10) days prior to the expiration date of any of the above policies, documentation showing that the insurance coverage has been renewed or extended shall be filed with LAWA. If any such coverage is cancelled or reduced, Contractor shall, within fifteen (15) days of such cancellation or reduction of coverage, file with LAWA evidence that the required insurance has been reinstated, or is being provided through another insurance company or companies.

4.11 Contractor shall provide proof of all specified insurance and related requirements to LAWA either by production of the actual insurance policy(ies), by use of LAWA's own endorsement form(s), by broker's letter acceptable to the CEO in both form and content in the case of foreign insurance syndicates, or by other written evidence of insurance acceptable to the CEO. The documents evidencing all specified coverages shall be filed with LAWA prior to the Contractor performing the Services hereunder. Such documents shall contain the applicable policy number(s), the inclusive dates of policy coverage(s), the insurance carrier's name(s), and they shall bear an original or electronic signature of an authorized representative of said carrier(s), and they shall provide that such insurance shall not be subject to cancellation, reduction in coverage or non-renewal, except after the carrier(s) and the Contractor provide actual, written notice (by Certified Mail) to the City Attorney of the City at least thirty (30) days prior to the effective date thereof.

4.12 The City and Contractor agree that the insurance policy limits specified in this Section shall be reviewed for adequacy annually throughout the term of this Contract by the CEO, who may thereafter require Contractor to adjust the amount(s) of insurance coverage(s) to whatever amount(s) the CEO deems to be adequate. LAWA reserves the right to have submitted to it, upon request, all pertinent information about the agent(s) and carrier(s) providing such insurance.

#### **Section 5.0 City Held Harmless.**

5.1 Except for the active negligence or willful misconduct of the City, Contractor undertakes and agrees to defend, indemnify and hold harmless the City and any and all of the City's boards, officers, agents, employees, assigns, and successors in interest from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees and cost of litigation, damage or liability of any nature whatsoever, for death or injury to any person, including Contractor's employees and agents, or damage of or destruction to any property of either party hereto or of third parties, arising in any manner by reason of the acts, errors, omissions, or willful misconduct incident to the performance of this Contract on the part of Contractor or subcontractor of any tier. The provisions of this paragraph shall survive termination of this Contract.

5.2 In addition, Contractor agrees to protect, defend, indemnify, keep and hold harmless the City, including all of the City's boards, departments, commissioners, officers, directors, agents, servants and employees, from and against any and all claims, damages, liabilities, losses and expenses arising out of any threatened, alleged or actual claim that the end product provided to LAWA by Contractor violates any patent, copyright, trade secret, proprietary right, intellectual property right, moral right, privacy, or similar right, or any other rights of any third party anywhere in the world. Contractor agrees to, and shall, pay all damages, settlements, expenses and costs, including costs of investigation, court costs and attorney's fees, and all other costs and damages sustained or incurred by the City arising out of, or relating to, the matters set forth above in this paragraph.

5.3 In Contractor's defense of the City under this Section, including but not limited to the negotiation, compromise, and settlement of any action, the City shall retain discretion in and control of the litigation, negotiation, compromise, settlement, and appeals there from, as required by the Los Angeles City Charter, particularly Article II, §§ 271, 272 and 273 thereof.

5.4 Survival of Indemnities. The provisions of this Section shall survive the termination of this Agreement.

#### **Section 6.0 Restrictions and Regulations.**

6.1 Contractor shall be solely responsible for fully complying with any and all applicable present and future rules, regulations, restrictions, ordinances, statutes, laws and orders of any federal, state, or local government authority.

6.2 Contractor shall be solely responsible for fully complying with any and all applicable present and/or future orders, directives, or conditions issued, given or imposed by the CEO which are now in force or which may be hereafter adopted by the Board and/or the CEO with respect to the operation of LAX.

6.3 Contractor shall be solely responsible for any and all civil and/or criminal penalties assessed as a result of its failure to comply with any of these rules, regulations, restrictions, ordinances, statutes, laws, orders, directives and/or conditions.

#### **Section 7.0 Independent Contractor.**

7.1 It is the express intention of the parties that Contractor is an independent contractor and not an employee, agent, joint venturer or partner of the City. Nothing in this Contract shall be interpreted or construed as creating or establishing the relationship of employer and employee between Contractor and the City or between Contractor and any official, agent, or employee of the City. Both parties acknowledge that Contractor is not an employee of the City.

7.2 Contractor shall retain the right to perform services for others during the term of this Contract, unless specified to the contrary herein or prohibited by conflict of interest or ethics laws, regulations, or professional rules of conduct.

**Section 8.0 Assignment or Transfer Prohibited.**

8.1 Contractor shall not, in any manner, directly or indirectly, by operation of law or otherwise, hypothecate, assign, transfer, or encumber this Contract, or any portion thereof or any interest therein, in whole or in part, without the prior, written consent of CEO.

8.2 For purposes of this Contract, the terms “transfer” and “assign” shall include, but not be limited to, the following: (i) if Contractor is a joint venture, a limited liability company, or a partnership, the transfer of fifty percent (50%) or more of the interest or membership in the joint venture, the limited liability company, or the partnership; (ii) if Contractor is a corporation, any cumulative or aggregate sale, transfer, assignment, or hypothecation of fifty percent (50%) or more of the voting shares of Contractor; (iii) the dissolution by any means of Contractor; and, (iv) a change in business or corporate structure. Any such transfer, assignment, mortgaging, pledging, or encumbering of Contractor without the written consent of the CEO is a violation of this Contract and shall be voidable at LAWA’s option and shall confer no right, title, or interest in or to this Contract upon the assignee, mortgagee, pledgee, encumbrancer, or other lien holder, successor, or purchaser.

**Section 9.0 Default and Right of Termination.**

9.1 For Cause. In the event Contractor fails to abide by the terms, covenants and conditions of this Contract, the City shall give Contractor written notice to correct the defect or default and, if the same is not corrected, or substantial steps are not taken toward accomplishing such correction, within ten (10) days after City’s mailing such notification, City may terminate this Contract forthwith upon giving Contractor a ten (10) day written notice.

9.2 For Convenience. LAWA has the right to terminate this Contract without cause and without liability for costs and damages upon giving Contractor thirty (30) days advance written notice, except that in accordance with Section 2.0 herein, LAWA shall pay all actual costs and outstanding out-of-pocket expenses incurred by Contractor up to the date of the termination notice.

9.3 In the case of a default by the Contractor, LAWA shall have the right to procure the subject Products and Services from other sources and to pursue Contractor for all remedies available to it at law or in equity, including without limitation, remedies at law in a court of competent jurisdiction.

**Section 10.0 Disabled Access.**

10.1 Contractor shall be solely responsible for fully complying with any and all applicable present and future rules, regulations, restrictions, ordinances, statutes, laws, and/or orders of any federal, state, and/or local governmental entity and/or court regarding disabled access including any services, programs, improvements or activities provided by Contractor. Contractor shall be solely responsible for any and all damages caused by, and/or penalties levied as a result of, Contractor's noncompliance. Further, Contractor agrees to cooperate fully with City in its efforts to comply with the Americans With Disability Act of 1990 and any amendments thereto, or successor statutes.

10.2 Should Contractor fail to comply with Section 10.1, if applicable, then City shall have the right, but not the obligation, to perform, or to have performed, whatever work is necessary to achieve equal access compliance. Contractor will then be required reimburse City for the actual cost of achieving compliance, plus a fifteen percent (15%) administrative charge.

**Section 11.0 Nondiscrimination and Affirmative Action Program.**

11.1 During the term of this Contract, Contractor agrees and obligates itself in the performance of this Contract not to discriminate against any employee or applicant for employment because of the employee's or applicant's race, religion, national origin, ancestry, sex, sexual orientation, age, physical handicap, marital status, domestic partner status, or medical condition. Contractor shall take affirmative action to ensure that applicants for employment are treated, during the term of this Contract, without regard to the aforementioned factors and Contractor shall comply with the affirmative action requirements of Los Angeles Administrative Code Sections 10.8, et seq., or any successor ordinances or laws pertaining to discrimination.

11.2 During the performance of this Contract, Contractor agrees to comply with Section 10.8.3 of the Los Angeles Administrative Code ("Equal Employment Practices"), including any future amendments thereto, which is incorporated herein by this reference. By way of specification, but not limitation, pursuant to Sections 10.8.3.E and 10.8.3.F of said Administrative Code, the failure of Contractor to comply with the Equal Employment Practices provisions of this Contract may be deemed to be a material breach of this Contract. No such finding shall be made, nor penalties assessed, except upon a full and fair hearing after notice and an opportunity to be heard has been provided to Contractor. Upon a finding duly made that Contractor has failed to comply with said Equal Employment Practices provisions of this Contract, this Contract may be forthwith terminated, cancelled or suspended.

11.3 During the performance of this Contract, Contractor agrees to comply with Section 10.8.4 of the Los Angeles Administrative Code ("Affirmative Action Program"), including any future amendments thereto, which is incorporated herein by this reference. By way of specification, but not limitation, pursuant to Sections 10.8.4.E and 10.8.4.F of said Administrative Code, the

failure of Contractor to comply with the Affirmative Action Program provisions of this Contract may be deemed to be a material breach of this Contract. No such finding shall be made, nor penalties assessed, except upon a full and fair hearing after notice and an opportunity to be heard has been provided to Contractor. Upon a finding duly made that Contractor has failed to comply with the Affirmative Action Program provisions of this Contract, this Contract may be forthwith terminated, cancelled or suspended.

11.4 All subcontracts awarded under this Contract shall contain similar provisions and Contractor shall require each of its subcontractors to complete a like certification and to submit to it an Affirmative Action Plan acceptable to City.

11.5 Contractor also agrees to comply with the provisions of Article 3 of Chapter 1, Part 7, Division 2 of the Labor Code of the State of California, and with all other applicable statutes, ordinances, and regulations relative to employment, wages, and hours of labor.

**Section 12.0 Contractor Responsibility Program.**

12.1 Pursuant to Resolution No. 21601 adopted by the Board, effective May 20, 2002, it is the policy of LAWA to ensure that all LAWA contractors have the necessary quality, fitness and capacity to perform the work set forth in the contract. LAWA shall award contracts only to entities and individuals it has determined to be Responsible Contractors. The provisions of this Program apply to leases and contracts for construction, for services, and for purchases of goods and products that require Board approval.

12.2 Contractor is required to complete and submit with its bid/proposal and update during the life of this contract as required, the "Contractor Responsibility Program Questionnaire" that provides information LAWA needs in order to determine if the Contractor is responsible and has the capability to perform the contract. The information contained in the CRP Questionnaire is subject to public review for a period of not less than 14 days. Contractor is also required to complete, sign, submit and comply at all times with the "Contractor Responsibility Program Pledge of Compliance" submitted with its bid/proposal. Contractor's executed Pledge of Compliance is attached hereto as Exhibit D. Subcontractors will be required to submit the Pledge to the prime contractor prior to commencing work. The CRP Rules and Regulations are available at <http://www.lawa.org>.

**Section 13.0 Equal Benefits Ordinance (EBO).**

13.1 Unless otherwise exempt in accordance with the provisions of the Equal Benefits ("EBO") Ordinance, this Contract is subject to the applicable provisions of EBO §10.8.2.1 of the Los Angeles Administrative Code, as amended from time to time.

13.2 During the term of this Contract, Contractor certifies and represents that the Contractor will comply with the EBO. Furthermore, Contractor agrees to post the following statement in conspicuous places at its place of business available to employees and applicants for employment:

During the term of a Contract with the City of Los Angeles, the Contractor will provide equal benefits to employees with spouses and its employees with domestic partners. Additional information about the City of Los Angeles' Equal Benefits Ordinance may be obtained from the Department of Public Works, Bureau of Contract Administration, Office of Contract Compliance at (213) 847-6480.

**Section 14.0 Business Tax Registration.**

14.1 Contractor represents that it has registered its business with the City Clerk of the City and has obtained, and presently holds, from that Office a Business Tax Registration Certificate, or a Business Tax Exemption Number, required by the City's own Business Tax Ordinance (Article 1, Chapter 2, §§21.00 and following, of the City's Municipal Code).

14.2 Contractor shall maintain, or obtain as necessary, all such Certificates required of it under said Ordinance and shall not allow any such Certificate to be revoked or suspended during the term hereof.

**Section 15.0 Child Support Orders.**

15.1 This Contract is subject to §10.10, Article I, Chapter 1, Division 10 of the Los Angeles Administrative Code, related to Child Support Assignment Orders, which is incorporated herein by this reference. Pursuant to this section, Contractor (and any subcontractor of Contractor providing services to City under this Contract) shall (1) fully comply with all State and Federal employment reporting requirements for Contractor's, or Contractor's subcontractor's, employees applicable to Child Support Assignments Orders; (2) certify that the principal owner(s) of Contractor and applicable subcontractors are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (3) fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with California Family Code §5230, et seq.; and (4) maintain such compliance throughout the term of this Contract.

15.2 Pursuant to §10.10(b) of the Los Angeles Administrative Code, failure of Contractor, or an applicable subcontractor, to comply with all applicable reporting requirements, or to implement lawfully served Wage and Earnings Assignment Orders and Notices of Assignment, or the failure of any principal owner(s) of Contractor or applicable subcontractors to comply with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally, shall constitute a default of this Contract, thereby subjecting this Contract to termination, where such

failure(s) shall continue for more than ninety (90) days after notice of such failure(s) to Contractor by LAWA (in lieu of any time for cure provided elsewhere in this Contract).

**Section 16.0 Living Wage and Worker Retention Requirements.**

**16.1 Living Wage Ordinance**

16.1.1 General Provisions: Living Wage Policy. This Contract is subject to the Living Wage Ordinance ("LWO") (Section 10.37, et seq., of the Los Angeles Administrative Code, which is incorporated herein by this reference. The LWO requires that, unless specific exemptions apply, any employees of service contractors who render services that involve an expenditure in excess of twenty-five thousand dollars (\$25,000) and a contract term of at least three months are covered by the LWO if any of the following applies: (1) at least some of the services are rendered by employees whose work site is on property owned by City, (2) the services could feasibly be performed by employees of City if the awarding authority had the requisite financial and staffing resources, or (3) the designated administrative agency of City has determined in writing that coverage would further the proprietary interests of City. Employees covered by the LWO are required to be paid not less than a minimum initial wage rate, as adjusted each year. The LWO also requires that employees be provided with at least twelve (12) compensated days off per year for sick leave, vacation, or personal necessity at the employee's request, and at least ten (10) additional days per year of uncompensated time pursuant to Section 10.37.2(b). The LWO requires employers to inform employees making less than twelve dollars (\$12) per hour of their possible right to the federal Earned Income Tax Credit ("EITC") and to make available the forms required to secure advance EITC payments from the employer pursuant to Section 10.37.4. Contractor shall permit access to work sites for authorized City representatives to review the operation, payroll, and related documents, and to provide certified copies of the relevant records upon request by City. Whether or not subject to the LWO, Contractor shall not retaliate against any employee claiming non-compliance with the provisions of the LWO, and, in addition, pursuant to Section 10.37.6(c), Contractor agrees to comply with federal law prohibiting retaliation for union organizing.

16.1.2 Living Wage Coverage Determination. An initial determination has been made that this is a service contract under the LWO and that it is not exempt from coverage by the LWO. Determinations as to whether this Contract is a service contract covered by the LWO, or whether an employer or employee are exempt from coverage under the LWO are not final, but are subject to review and revision as additional facts are examined and/or other interpretations of the law are considered. In some circumstances, applications for exemption must be reviewed periodically. City shall notify Contractor in writing about any redetermination by City of coverage or exemption status. To the extent Contractor claims

non-coverage or exemption from the provisions of the LWO, the burden shall be on Contractor to prove such non-coverage or exemption.

16.1.3 Compliance; Termination Provisions And Other Remedies: Living Wage Policy. If Contractor is not initially exempt from the LWO, Contractor shall comply with all of the provisions of the LWO, including payment to employees at the minimum wage rates, effective on the Execution Date of this Contract, and shall execute the Declaration of Compliance Form attached to this Contract, contemporaneously with the execution of this Contract. If Contractor is initially exempt from the LWO, but later no longer qualifies for any exemption, Contractor shall, at such time as Contractor is no longer exempt, comply with the provisions of the LWO and execute the then currently used Declaration of Compliance Form, or such form as the LWO requires. Under the provisions of Section 10.37.6(c) of the Los Angeles Administrative Code, violation of the LWO shall constitute a material breach of this Contract and City shall be entitled to terminate this Contract and otherwise pursue legal remedies that may be available, including those set forth in the LWO, if City determines that Contractor violated the provisions of the LWO. The procedures and time periods provided in the LWO are in lieu of the procedures and time periods provided elsewhere in this Contract. Nothing in this Contract shall be construed to extend the time periods or limit the remedies provided in the LWO.

16.1.4 Subcontractor Compliance. Contractor agrees to include in every subcontract involving this Contract entered into between Contractor and any subcontractor, a provision pursuant to which such subcontractor (A) agrees to comply with the LWO and the Worker Retention Ordinance (“WRO”) with respect to this Contract; (B) agrees not to retaliate against any employee lawfully asserting noncompliance on the part of the subcontractor with the provisions of either the LWO or the WRO; and (C) agrees and acknowledges that City, as the intended third-party beneficiary of this provision may (i) enforce the LWO and the WRO directly against the subcontractor with respect to this Contract, and (ii) invoke, directly against the subcontractor with respect to this Contract, all the rights and remedies available to the City under Section 10.37.5 of the LWO and Section 10.36.3 of the WRO, as same may be amended from time to time.

16.2 Worker Retention Ordinance. This Contract may be subject to the WRO (Section 10.36, et seq., of the Los Angeles Administrative Code), which is incorporated herein by this reference. If applicable, Contractor must also comply with the WRO which requires that, unless specific exemptions apply, all employers under contracts that are primarily for the furnishing of services to or for City and that involve an expenditure or receipt in excess of \$25,000 and a contract term of at least three (3) months, shall provide retention by a successor contractor for a ninety-day (90-day) transition period of the employees who have been employed for the preceding twelve (12) months or more by the terminated contractor or subcontractor, if any, as provided for in the WRO. Under the provisions of Section 10.36.3(c) of the Los Angeles Administrative Code, City has the

authority, under appropriate circumstances, to terminate this Contract and otherwise pursue legal remedies that may be available if City determines that the subject contractor violated the provisions of the WRO.

**Section 17.0 Local Business/Small Business/Local Small Business Enterprise.**

17.1. Contractor hereby agrees and obligates itself to use the service of a Local Business Enterprise ("LBE"), Small Business Enterprise ("SBE"), or Local Small Business Enterprise ("LSBE") firm or firms to be designated by Contractor at the level of 5% for the first year and escalating to 7.5% for the second year of the Contract.

17.2. Contractor hereby further agrees and obligates itself to strictly comply with all of the Rules and Regulations (Rules) of LAWA's Small Business Enterprise Program and LAWA's Local and Local Small Business Enterprise Program (collectively, "Programs").

17.3. Failure to comply with any and all of the Programs' requirements shall subject the Contractor to the "Penalties" set forth in the Programs' Rules.

17.4. Contractor shall submit, on a monthly basis, together with its invoices for payment, the monthly Subcontractor Utilization Report and/or data entry into a business enterprise monitoring system selected by LAWA listing the LBE/SBE/LSBE Subcontractors utilized during the reporting period. Contractor shall cooperate with LAWA personnel in providing such information as shall be requested by LAWA in order to ensure compliance with the provisions of this section. LAWA will not process or pay Contractor's subsequent invoices if the monthly Subcontractor Utilization Report and/or data entry into a business monitoring system selected by LAWA are not timely submitted or if the Contractor fails to cooperate with LAWA personnel by promptly providing any and all information related to LBE/SBE/LSBE participation requested by LAWA.

17.5. Failure to comply with any of the terms of this Section (or the terms of this Contract) shall constitute a material breach of contract and may result in the Contractor being deemed "Non-Responsible." (Section 10.40 et seq. of the Los Angeles Administrative Code.)

**Section 18.0 Prevailing Wage.** Contractor shall at all times during the performance of the work hereunder pay the general prevailing rate of per diem wages for each craft or type of worker needed to execute this Contract, at such rate(s) as has been determined by the Director of the Department of Industrial Relations of the State of California.

**Section 19.0 Alternative Fuel Vehicle Requirement Program (LAX Only).** Contractor shall comply with the provisions of the alternative fuel vehicle requirement program (the "Alternative Fuel Vehicle Requirement Program"). The rules, regulations and requirements of the Alternative Fuel Vehicle Requirement Program are made a material term of this Contract.

**Section 20.0 Environmentally Favorable Operations.** If applicable, Contractor acknowledges for itself and any sub-contractors that its operation of its activities under this Contract will be subject to all LAWA policies, guidelines and requirements regarding environmentally favorable construction, use and/or operations practices (collectively, "LAWA Policies") as such LAWA Policies may be promulgated, revised and amended from time-to-time.

**Section 21.0 Compliance With Los Angeles City Charter § 470(c)(12).** The Contractor, subcontractors, and their principals are obligated to fully comply with the City of Los Angeles Charter §470(c)(12) and related ordinances, regarding limitations on campaign contributions and fundraising for certain elected City officials or candidates for elected City office if the contract is valued at \$100,000 or more and requires approval of a City elected official. Additionally, Contractor is required to provide and update certain information to City as specified by law. Any Contractor subject to Charter §470(c)(12) shall include the following notice in any contract with a subcontractor expected to receive at least \$100,000 for performance under this contract:

Notice Regarding Los Angeles Campaign Contribution and Fundraising Restrictions

As provided in Charter §470(c)(12) and related ordinances, you are subcontractor on City of Los Angeles contract #\_\_\_\_\_. Pursuant to City Charter §470(c)(12), subcontractor and its principals are prohibited from making campaign contributions and fundraising for certain elected City officials or candidates for elected City office for 12 months after the City contract is signed. Subcontractor is required to provide to contractor names and addresses of the subcontractor's principals and contact information and shall update that information if it changes during the 12 month time period. Subcontractor's information included must be provided to contractor within 5 business days. Failure to comply may result in termination of contract or any other available legal remedies includes fines. Information about the restrictions may be found at the City Ethics Commission's website at <http://ethics.lacity.org/> or by calling 213/978-1960.

Contractor, subcontractors, and their principals shall comply with these requirements and limitations. Violation of this provision shall entitle City to terminate this Contract and pursue any and all legal remedies that may be available.

**Section 22.0 Municipal Lobbying Ordinance.** Contractor shall comply with the provisions of the City of Los Angeles Municipal Lobbying Ordinance throughout the term of this Contract.

**Section 23.0 Assignment of Anti-Trust Claims.** Pursuant to California Government Code §§ 4550 et seq. regarding Anti-Trust Claims, it is the policy of City to inform each Bidder/Proposer

that in submitting a proposal to LAWA the Bidder/Proposer offers and agrees to assign LAWA all rights, title and interest in and to all causes of action it may have under the Clayton Act or Cartwright Act, arising from purchases of goods, services or materials. This assignment is made and becomes effective at the time LAWA tenders final payment to the Bidder/Proposer.

**Section 24.0 Waiver.** The waiver by LAWA of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of any other term, covenant, or condition, or of any subsequent breach of the same term, covenant, or condition.

**Section 25.0 Iran Contracting Act of 2010.** In accordance with California Public Contracting Code §§2200-2208, all persons submitting proposals for contracts with LAWA for goods or services estimated at one million (\$1,000,000) or more are required to complete, sign and submit an "Iran Contracting Act of 2010 Affidavit". Contractor has signed and submitted such Affidavit and will comply with the terms of the Iran Contracting Act during the term(s) of this Contract.

**Section 26.0 Miscellaneous Provisions.**

26.1 **Fair Meaning.** The language of this Contract shall be construed according to its fair meaning, and not strictly for or against either City or Contractor.

26.2 **Section Headings.** The section headings appearing herein are for the convenience of City and Contractor, and shall not be deemed to govern, limit, modify, or in any manner affect the scope, meaning, or intent of the provisions of this Contract.

26.3 **Void Provisions.** If any provision of this Contract is determined to be void by any court of competent jurisdiction, then such determination shall not affect any other provision of this Contract, and all such other provisions shall remain in full force and effect.

26.4 **Two Constructions.** It is the intention of the parties hereto that if any provision of this Contract is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid.

26.5 **Laws of California.** This Contract shall be construed and enforced in accordance with the laws of the State of California and venue shall lie in the Southwest District of the California Superior Court located in the County of Los Angeles.

26.6 **Gender.** The use of any gender herein shall include all genders, and the use of any number shall be construed as the singular or the plural, all as the context may require.

26.7 **Amendments to Ordinances and Codes.** The obligation to comply with any Ordinances and Codes which have been incorporated into this Contract by reference shall extend to any amendments which may be made to those Ordinances and Codes during the term of this Contract.

**Section 27.0 Adjustment to Master Contract and Exhibits Thereto.**

For purposes of this Contract:

27.1 References throughout to the “City of Kansas City” shall be the “City of Los Angeles.”

27.2 In paragraph 3.f of the “Overview” section in Attachment D to the Master Contract specifically, and in the remainder of the Master Contract generally, the reference to “City of Kansas City Aviation Department” shall be changed to “LAWA.”

27.3 In paragraph 1 of the “Maintenance and Modernization Services to be Performed” section in Attachment D to the Master Contract, the reference to “various city-owned facilities in Jackson Clay, Platte and Cass Counties” shall be changed to “Airports.”

27.4 In paragraph 2 of the “Site Inspections” section in Attachment D to the Master Contract, the reference to “Chapter 18 of the KCBRC” shall be changed to “Los Angeles Department of Building and Safety” in accordance with the Statement of Work attached hereto as Exhibit B.

27.5 Section 14 of the “SPECIAL TERMS AND CONDITIONS” in the Master Contract titled “Missouri Sales Tax Exemption” is deleted.

27.6 In Section 21 of the “SPECIAL TERMS AND CONDITIONS” in the Master Contract, the reference to “Missouri Preference” in the title and the second sentence stating “[p]ursuant to Section 71.140 RSMo., preference shall be given to materials, products, supplies and all other articles produced, manufactured, made or grown within the State of Missouri” are deleted.

27.7 In addition to the above, to the extent that there are other provisions contained in the Master Contract, as well as any exhibit thereto, that are inconsistent with, or contrary to, the rules, regulations, restrictions, ordinances, statutes, laws and orders of any state or local government authority in California, the rules, regulations, restrictions, ordinances, statutes, laws and orders of the state or local government authority in California apply to this Contract.

**Section 28.0 Entire Agreement.** This Contract, the Exhibits attached hereto, and other materials referenced herein, contain the entire agreement between the parties hereto and supersedes any and all prior written or oral agreements between them concerning the subject matter contained

herein. There are no representations, agreements, or understandings, oral or written, between and among the parties relating to the subject matter contained in this Contract which are not fully set forth herein. This is an integrated agreement.

[Remainder of This Page Intentionally Left Blank]

IN WITNESS WHEREOF, the City has caused this Contract to be executed on its behalf by the CEO and Contractor has caused the same to be executed by its duly authorized officers, all as of the day and year first hereinabove written.

APPROVED AS TO FORM:

Michael N. Feuer,  
City Attorney

Date: 3/2/2020

By: [Signature]  
Deputy City Attorney

CITY OF LOS ANGELES

By: [Signature]  
Interim Chief Executive Officer  
Department of Airports

By: [Signature]  
Chief Financial Officer  
Deputy Executive Director  
Department of Airports

ATTEST:

By: [Signature]  
Signature (Secretary)  
VP  
Joe Harmeyer  
Print Name

KONE INC.

By: [Signature]  
Signature  
Jeff Blum  
Print Name  
SVP, West  
Print Title

# EXHIBIT A

**FACILITY REPAIR AND MAINTENANCE CONTRACT**  
**EV2516 ELEVATOR AND ESCALATOR**  
**MAINTENANCE AND REPAIR SERVICES**  
**GENERAL SERVICES DEPARTMENT**

THIS CONTRACT is between KANSAS CITY, MISSOURI, a constitutionally chartered municipal corporation ("City"), and KONE, INC. ("Contractor"). City and Contractor agree as follows:

**PART I**

**SPECIAL TERMS AND CONDITIONS**

**Sec. 1. Work To Be Performed.** The Specification/Scope of Work and any addenda are attached hereto and incorporated into this Contract.

**Sec. 2. Term of Contract and Additional Periods**

- A. **Initial Term.** The initial term of this Contract shall begin on December 1, 2018 and shall end on November 30, 2024 for a six (6) year term. The Manager of Procurement Services is authorized to enter into an amendment of this Contract with CONTRACTOR to extend the term of this Contract and time of performance for this Contract.
- B. **Renewal Terms.** At any time prior to the expiration of the initial term or any subsequent term, the CITY, in its sole discretion, may renew this Contract for up to five (5) additional one (1) year terms.
- C. **Transition Term.** Notwithstanding the expiration of the initial term or any subsequent term or all options to renew, CONTRACTOR and CITY shall continue performance under this Contract until the CITY has a new contract in place with either CONTRACTOR or another provider or until the CITY terminates the Contract.
- D. **The products and services which are subject to this Contract may be covered by a separate maintenance agreement (see Exhibit 4). The term of the maintenance agreement shall be governed by that document and may extend beyond the expiration date of this Contract.**

**Sec. 3. Purchase Orders**

- A. City shall order all services to be provided by Contractor under this Contract by means of a Purchase Order issued by the City's Manager of Procurement Services for which funds have been certified and encumbered by the City's Director of Finance.

- B. Contractor shall not provide any services in excess of the dollar amount contained in any Purchase Order and Contractor shall not be entitled to any payment in excess of the dollar amount of the Purchase Orders from City.

**Sec. 4. Compensation.**

- A. The maximum amount that City shall pay Contractor under this Contract is set forth in the Contract – Contractor’s proposal shall provide all work at the prices contained in Contractor’s Proposal that is incorporated herein by reference.
- B. Contractor will bill the City, in a form acceptable to the City, on the following basis:
- C. It shall be a condition precedent to payment of any invoice from Contractor that Contractor is in compliance with, and not in breach or default of, all terms, covenants and conditions of this Contract. If damages are sustained by City as a result of breach or default by Contractor, City may withhold payment(s) to Contractor for the purpose of set off until such time as the exact amount of damages due City from Contractor may be determined.
- D. It shall be a condition precedent to payment of any invoice from Contractor that Contractor is in compliance with, and not in breach or default of, all terms, covenants and conditions of this Contract. If damages are sustained by City as a result of breach or default by Contractor, City may withhold payment(s) to Contractor for the purpose of set off until such time as the exact amount of damages due City from Contractor may be determined.
- E. No request for payment will be processed unless the request is in proper form, correctly computed, and is approved as payable under the terms of this Contract.

**Sec. 5. Notices.** All notices required by this agreement shall be in writing sent to the following:

**City:**

General Services Department  
Procurement Services Division  
Cedric Rowan, Manager of Procurement Services  
City Hall, 1<sup>st</sup> Floor, Room 102W  
414 E. 12<sup>th</sup> Street  
Kansas City, MO 64106  
Phone: (816)-513-0814      Facsimile: (816)-513-1066  
E-mail address: [cedric.rowan@kcmo.org](mailto:cedric.rowan@kcmo.org)

Contractor: Kone, Inc.  
Contact: Ashley Brauer, Senior Sales Consultant  
Address: 2700 BiState Drive, Suite 100  
Kansas City, MO 64108  
Phone: (816)-531-2140 (Ext. 10514)      Facsimile: (816)-531- 5523  
E-mail address: [ashley.brauer@kone.com](mailto:ashley.brauer@kone.com)

All notices are effective a) when delivered in person, b) upon confirmation of receipt when transmitted by facsimile transmission or by electronic mail, c) upon receipt after dispatch by registered or certified mail, postage prepaid, d) on the next business day if transmitted by overnight

courier(with confirmation of delivery), or e)three business days after the date of mailing, whichever is earlier.

**Sec. 6. Merger.** This Contract consists of Part I, Special Terms and Conditions and any Attachments and any documents incorporated by reference; and Part II, Standard Terms and Conditions. This Contract, including any Attachments and incorporated documents, constitutes the entire agreement between City and Contractor with respect to this subject matter.

**Sec. 7. Conflict Between Contract Parts.** In the event of any conflict or ambiguity between the Special Contract Terms and Conditions of Part I and the Standard Terms and Conditions of Part II of this Contract, Part I will be controlling. For any participating public agency, Exhibit 4 will be the controlling document and prevail over Part I and Part II of this Contract.

**Sec. 8. Minority and Women's Business Enterprises.** See Exhibit 1: City of Kansas City Special Requirements

**Sec. 9. Workforce.** If Contractor is required to pay prevailing wages for the work performed pursuant to this Contract, Contractor agrees to comply with all requirements of City's Construction Employment Program as enacted in City's Code, Sections 3-501 through 3-525 and as hereinafter amended. Contractor shall meet or exceed the construction employment goals unless the same shall have been waived in the manner provided by law. Contractor's compliance with this provision is a material part of this Contract.

Contractor shall comply with City's Workforce Program Reporting System requirements. Contractor shall use City's Internet web based Workforce Program Reporting System provided by City and protocols included in that software during the term of this Contract. Contractor shall maintain user applications to City's provided system for all applicable personnel and shall require subcontractors to maintain applications.

**Sec. 10. Bonds and Surety.** See Exhibit 1: City of Kansas City Special Requirements

**Sec. 11. Subcontracting.**

- A. Contractor shall not employ or retain any Subcontractor, Supplier or other person or organization, whether initially or as a substitute, against whom City has a reasonable objection, including but not limited to debarment by City or another governmental entity or decertification of the Subcontractor from the City's Minority and Women's Business Enterprise Program as a result of the Subcontractor's failure to comply with any of the requirements of the provisions of Chapter 3 of the City's Code as determined by the Director of the Human Relations Department. Contractor shall insert this provision in any subcontractor agreement associated with this Contract. Contractor shall not be required to employ any Subcontractor, Supplier or other person or organization to furnish or perform any of the Work against whom Contractor has reasonable objection.
- B. Contractor shall submit required information for all Subcontractors on Form 01290.09 - Subcontractors and Major Material Suppliers List, provided in these Contract Documents, prior to Subcontractor beginning Work at the Site.
- C. Contractor shall be fully responsible to City for all acts and omissions of the Subcontractors, Suppliers and other persons and organizations performing or furnishing any of the Work under a direct or indirect contract with Contractor just as Contractor is responsible for Contractor's own acts and omissions.

- D. Contractor shall be solely responsible for scheduling and coordinating the Work of Subcontractors, Suppliers and other persons and organizations performing or furnishing any of the Work under a direct or indirect contract with Contractor.

**Sec. 12. Prevailing Wage.**

**A. Prevailing Wage.**

1. Contractor shall comply and require its Subcontractors to comply with;
  - a. Sections 290.210 to 290.340, RSMo the State of Missouri Prevailing Wage Law (the "Law"); and
  - b. 8 CSR 30-3.010 to 8 CSR 30-3.060, the Prevailing Wage Law Rules (the "Rules"); and
  - c. the Annual Wage Order (Wage Order) issued by the State of Missouri's Department of Labor and Industrial Relations; and
  - d. any applicable Annual Incremental Wage Increase (Wage Increase) to the Annual Wage Order.
2. The Law, Rules, Wage Order and any Wage Increase are incorporated into and made part hereof this Contract and shall be collectively referred to in this Section as the "Prevailing Wage Requirements." In the event this Contract is renewed for an additional term, the Wage Order in effect as of the commencement date of the additional term, as amended by any applicable Wage Increase, shall be deemed incorporated herein and shall apply to and remain in effect for the duration of the additional term. The new Wage Order and any applicable Wage Increase shall govern notwithstanding the fact that the Wage Order being replaced might be physically attached to this Contract.
3. Contractor shall pay and require its Subcontractors to pay to all workers performing work under this Contract not less than the prevailing hourly rate of wages for the class or type of work performed by the worker in accordance with the Law, Rules, Wage Order and any applicable Wage Increase. Contractor shall take whatever steps are necessary to insure that the prevailing hourly wage rates are paid and that all workers for Contractor and each of its Subcontractors are paid for the class or type of work performed by the worker in accordance with the Prevailing Wage Requirements.
4. Prior to each of its Subcontractors beginning Work on the Site, Contractor shall require each Subcontractor to complete City's Form 00490 entitled "Pre-contract Certification" that sets forth the Subcontractor's prevailing wage and tax compliance history for the two (2) years prior to the bid. Contractor shall retain one (1) year and make the Pre-contract Certifications available to City within five (5) days after written request.
5. Contractor shall keep and require each of its Subcontractors engaged in the construction of public works in performance of the Contract to keep full and accurate records on City's:
  - a. Keep and require each of its Subcontractors engaged in the construction of public works in performance of the Contract to keep full and accurate records on City's

"Daily Labor Force Report" Form indicating the worker's name, occupational title or classification group and skill and the workers' hours. City shall furnish blank copies of the Daily Labor Force Report Form to Contractor for its use and for distribution to Subcontractors. Contractor shall submit its and its Subcontractors Daily Labor Force Reports to City each day; and

- b. Submit, and require each of its Subcontractors engaged in the construction of public works in performance of the Contract to submit, electronically, in a format prescribed by the City, Certified Payroll Report Information indicating the worker's name, address, social security number, occupation(s), craft(s) of every worker employed in connection with the public work together with the number of hours worked by each worker and the actual wages paid in connection with the Project and other pertinent information as requested by the City; and
  - c. Submit, and require each of its Subcontractors engaged in the construction of public works in performance of the Contract to submit, electronically, in format prescribed by the City, a Payroll Certification. The Payroll Certification must be signed by the employee or agent who pays or supervises the payment of the workers employed under the Contract for the Contractor and each Subcontractor.
  - d. The Daily Labor Force Report, documents used to compile information for the Certified Payroll Report, and Payroll Certification are collectively referred to in this Section as the "Records."
6. Contractor shall make all of Contractor's and Subcontractors' Records open to inspection by any authorized representatives of City and the Missouri Department of Labor and Industrial Relations at any reasonable time and as often as they may be necessary and such Records shall not be destroyed or removed from the State of Missouri for a period of one (1) year following the completion of the public work in connection with which the Records are made. Contractor shall have its and its Subcontractors Certified Payroll Reports and Payroll Certifications available at the Contractor's office and shall provide the Records to the City electronically at City's sole discretion. In addition, all Records shall be considered a public record and Contractor shall provide the Records to the City in the format required by the City within three (3) working days of any request by City at the Contractor's cost. City, in its sole discretion, may require Contractor to send any of the Records directly to the person who requested the Record at Contractor's expense.
7. Contractor shall post and keep posted a clearly legible statement of all prevailing hourly wage rates to be paid to all workers employed by Contractor and each of its Subcontractors in the performance of this Contract in a prominent and easily accessible place at the Site of the Work by all workers.
8. If the Contract Price exceeds \$250,000.00, Contractor shall and shall require each Subcontractor engaged in any construction of public works to have its name, acceptable abbreviation or recognizable logo and the name of the city and state of the mailing address of the principal office of the company, on each motor vehicle and motorized self-propelled piece of equipment which is used in connection with the Project during the time the Contractor or Subcontractor is engaged on the project. The sign shall be legible from a distance of twenty (20') feet, but the size of the lettering need not be larger than two (2") inches. In cases where equipment is leased

or where affixing a legible sign to the equipment is impractical, the Contractor may place a temporary stationary sign, with the information required pursuant to this section, at the main entrance of the Project in place of affixing the required information on the equipment so long as such sign is not in violation of any state or federal statute, rule or regulation. Motor vehicles which are required to have similar information affixed thereto pursuant to requirements of a regulatory agency of the state or federal government are exempt from the provisions of this subsection.

9. Contractor must correct any errors in Contractor's or any Subcontractors' Records, or Contractor's or any Subcontractors' violations of the Law, Rules, Annual Wage Order and any Wage Increase within fourteen (14) calendar days after notice from City.
  10. Contractor shall and shall require its Subcontractors to cooperate with the City and the Department of Labor and Industrial Relations in the enforcement of this Section, the Law, Rules, Annual Wage Order and any Wage Increase. Contractor shall and shall require its Subcontractors to permit City and the Department of Labor and Industrial Relations to interview any and all workers during working hours on the Project at Contractor's sole cost and expense.
  11. Contractor shall file with City, upon completion of the Project and prior to final payment therefore, affidavits from Contractor and each of its Subcontractors, stating that each has fully complied with the provisions and requirements of the Missouri Prevailing Wage Law. City shall not make final payment until the affidavits, in proper form and order, from Contractor and each of its Subcontractors, are filed by Contractor.
  12. Contractor shall forfeit as a statutory penalty to the City one hundred dollars (\$100.00) for each worker employed, for each calendar day, or portion thereof, such worker is paid less than the prevailing hourly rates for any work done under this Contract, by Contractor or by any of Contractor's Subcontractors. If Contractor or any of its Subcontractors have violated any section(s) of 290.210 to 290.340, RSMo, in the course of the execution of the Contract, City shall when making payments to the Contractor becoming due under this Contract, withhold and retain therefrom all sums and amounts due and owing as a result of any violation of sections 290.210 to 290.340, RSMo.
- B. Prevailing Wage Damages. Contractor acknowledges and agrees that, based on the experience of City, violations of the Missouri Prevailing Wage Act, whether by Contractor or its Subcontractors, commonly result in additional costs to City. Contractor agrees that additional costs to City for any particular violation are difficult to establish and include but are not limited to: costs of construction delays, additional work for City, additional interest expenses, investigations, and the cost of establishing and maintaining a special division working under the City Manager to monitor prevailing wage compliance.
1. In the event of the failure by Contractor or any of its Subcontractors to pay wages as provided in the Missouri Prevailing Wage Act, City shall be entitled to deduct from the Contract Price, and shall retain as liquidated damages, one hundred dollars (\$100.00) per day, per worker who is paid less than the prevailing hourly rate of wages, to approximate the additional costs. The sum shall be deducted, paid or owed

whether or not the Contract Times have expired.

2. City shall give written notice to Contractor setting forth the workers who have been underpaid, the amount of the statutory penalty and the amount of the liquidated damages as provided for in this Subparagraph. Contractor shall have fourteen (14) calendar days to respond, which time may be extended by City upon written request. If Contractor fails to respond within the specified time, the City's original notice shall be deemed final. If Contractor responds to City's notice, City will furnish Contractor a final decision in writing within five (5) days of completing any investigation.

C. Excessive Unemployment.

1. Resident Laborers" means laborers who have been residents of the State of Missouri for at least thirty days and who intend to remain Missouri residents, and residents of Nonrestrictive States.
2. "Nonrestrictive States" means states identified by the Missouri Department of Labor and Industrial Relations Division of Labor Standards that have not enacted state laws restricting Missouri laborers from working on public works projects. A list of Nonrestrictive States can be found on the Division web site at <http://www.dolir.mo.gov/ls/index.htm>.
3. A period of Excessive Unemployment is declared when the Missouri Department of Labor and Industrial Relations Division of Labor Standards provides notice of such declaration. When in effect, notice will be provided on the Division web site at <http://www.dolir.mo.gov/ls/index.htm>. It is Contractor's obligation to determine whether a period of Excessive Unemployment is in effect when this Contract is let.
4. Contractor agrees to follow the provisions of Section 290.560 - 290.575 RSMo and agrees that if a period of Excessive Unemployment has been declared at any point during the term of this Contract, it will employ and require all Subcontractors of whatever tier to employ only Resident Laborers for the Work to be performed under this Contract. Provided, however, Contractor may use laborers who are not Resident Laborers when Resident Laborers are not available or are incapable of performing the particular type of work involved if Contractor so certifies in writing to City and City issues a written approval. This provision does not apply to regularly employed nonresident executive, supervisory or technical employees.

**Sec. 13. Attachments to Part I.** The following documents are Attachments to Part I of this Contract and are attached hereto and incorporated herein by this reference:

**Attachment A** – RFP EV2516

**Attachment B** – Proposer Response dated June 8, 2018

**Attachment C** - Clarification Questions and Answers

**Attachment D** - Scope of Services revised per Clarification Questions

**Attachment E** - Facility Repair and Maintenance Contract Part II

i. Exhibit 1: City of Kansas City Special Requirements

ii. Exhibit 2: City of Kansas City Pricing Schedule

iii. Exhibit 3: National Pricing Schedule

iv. Exhibit 4: Participating Public Agency Service Level Agreement

**Attachment F** – 00620 Insurance Certificate

**THE BELOW FORMS ARE SPECIFIC TO THE CITY OF KANSAS CITY, MO**

**Attachment G – HRD Forms & Instructions**

- 00440 HRD 5: Construction Contract HRD Instructions
- 00450 HRD 8: Contractor Utilization Plan/Request for Waiver
- 00450.01 Letter of Intent to Subcontract
- 00460 HRD 10: Timetable for MBE/WBE Utilization
- 00470 HRD 11: Request for Modification or Substitution
- 00485 HRD Monthly Reporting Forms

**Attachment H - Bonds**

- 00610 Performance and Maintenance Bond
- 00615 Payment Bond

**Attachment I – 00830 Wage Rate Requirements**

Annual Wage Order #25

County – Cass, Clay, Jackson, Platte or Ray

Work Type: State – Heavy

State – Building

Division of Labor Standards Rules & Regulations

- 01290.08 Wage Rate Verification Questionnaire
- 01290.09 Subcontractors and Major Material Suppliers List
- 01290.11 Daily Labor Force Report
- 01290.14 Contractor Affidavit for Final Payment
- 01290.15 Subcontractor Affidavit for Final Payment

**Attachment J – 00560 Missouri Project Exemption Certificate**

- 00560.01 Kansas City Missouri Tax Exempt Certificate

**Attachment K – 00630 Revenue Clearance Release Authorization**

**Attachment L – 00515.01 Employee Eligibility Verification Affidavit**

**Sec. 14. Missouri Sales Tax Exemption.** Pursuant to Section 144.062, RSMo, City is a Missouri exempt entity and tangible personal property to be incorporated or consumed in the construction of this Project may be purchased without sales tax. City shall furnish Contractor a Missouri Project Exemption Certificate for Sales Tax at the time of issuance of the Notice to Proceed.

**Sec. 15. Emergencies.**

- (a) Disaster means any large scale event such as an act of terrorism, fire, wind, flood, earthquake or other natural or man-made calamity which results in, or has the potential to result in a significant loss of life or property.
- (b) During and after a disaster, CONTRACTOR shall provide special services to the CITY including CONTRACTOR shall open CONTRACTOR's facilities even on nights and weekends as necessary to meet the needs of the City during a disaster.
- (c) CONTRACTOR shall not charge CITY any fee for opening facilities during an emergency or for extending CONTRACTOR's hours of operation during a disaster. CITY shall pay CONTRACTOR the agreed upon contract prices for all purchases

made by CITY during the disaster and CONTRACTOR shall not charge CITY any additional mark-up, fee or cost for any purchases made by CITY during a disaster.

- (d) CONTRACTOR shall quickly mobilize CONTRACTOR's internal and external resources to assist CITY when a disaster unfolds.
- (e) Extended hours and personnel. During disasters, CONTRACTOR's facilities shall stay open 24 hours if requested by the CITY. CONTRACTOR shall utilize additional CONTRACTOR personnel to take CITY orders if necessary. CONTRACTOR's Call Center shall accept phone orders 24 hours a day.
- (f) CONTRACTOR shall have contingency plans with CONTRACTOR's suppliers to provide additional supplies and equipment quickly to CITY as needed.
- (g) CONTRACTOR shall cooperate with CITY to properly document any and all expenses incurred by CITY with CONTRACTOR and CONTRACTOR shall assist CITY in meeting any and all documentation requirements of the Federal Emergency Management Agency (FEMA).

**THIS CONTRACT CONTAINS INDEMNIFICATION PROVISIONS**

**CONTRACTOR**

I hereby certify that I have authority to execute this document on behalf of Contractor

Date: Nov 19, 2018

By: 

Title: Senior Vice President

Date: 12/4/2018

**KANSAS CITY, MISSOURI**

By: Cedric Rowan

Title: Manager of Procurement Services

Approved as to form:   
Assistant City Attorney

**PART II**  
**FACILITY REPAIR & MAINTENANCE**  
**CONTRACT**

**STANDARD TERMS AND CONDITIONS**

**Sec. 1. General Indemnification.**

A. For purposes of this Section 1 only, the following terms shall have the meanings listed:

1. **Claims** means all claims, damages, liability, losses, costs and expenses, court costs and reasonable attorneys' fees, including attorneys' fees incurred by the City in the enforcement of this indemnity obligation.

2. **Contractor's Agents** means Contractor's officers, employees, subconsultants, subcontractors, successors, assigns, invitees and other agents.

3. **City** means City and its agents, officials, officers and employees.

B. Contractor's obligations under this Section with respect to indemnification shall be limited to the coverage and limits of General Liability insurance that Contractor is required to procure and maintain under this Contract. Contractor affirms that it has had the opportunity to recover the costs of the liability insurance required in this Contract in its contract price.

C. Contractor shall defend, indemnify and hold harmless City from and against all claims arising out of or resulting from all negligent acts or omissions in connection with this Contract but only to the extent caused by Contractor or Contractor's Agents, regardless of whether or not caused in part by any act or omission, including negligence, of City. Contractor is not obligated under this Section to indemnify City for the negligence of City.

D. In no event shall the language in this Section constitute or be construed as a waiver or limitation of the City's rights or defenses with regard to sovereign immunity, governmental immunity, or other official immunities and protections as provided by the federal and state constitutions or by law.

**Sec. 2. Independent Contractor.** Contractor is an independent contractor and is not City's

agent. Contractor has no authority to take any action or execute any documents on behalf of City.

**Sec. 3. Insurance.**

A. Contractor shall procure and maintain in effect throughout the duration of this Contract insurance coverage of the types and amounts specified in this section. In the event that additional insurance, not specified herein, is required during the term of this Contract, Contractor shall supply such insurance at City's cost. Policies containing a Self-Insured Retention are unacceptable to City unless City approves in writing the Contractor's Self-Insured Retention.

1. **Commercial General Liability Insurance:** with limits of \$1,000,000 per occurrence and \$2,000,000 aggregate, written on an "occurrence" basis. The policy shall be written or endorsed to include the following provisions:

a. Severability of Interests Coverage applying to Additional Insureds

b. Contractual Liability

c. Per Project Aggregate Liability Limit

d. No Contractual Liability Limitation Endorsement

e. An Owners and Contractors Protective Liability Policy (OCPL).

2. **Workers' Compensation Insurance:** as required by statute, including Employers Liability with limits of:

Workers' Compensation Statutory Employers Liability \$100,000 accident with limits of:

\$500,000 disease-policy limit

\$100,000 disease-each employee

3. **Commercial Automobile Liability Insurance:** with a limit of \$1,000,000, covering owned, hired, and non-owned automobiles. Coverage provided shall be on an "any auto" basis and written on an "each accident" basis. This insurance will be written on a Commercial Automobile Liability form, or acceptable equivalent, and will protect against claims arising out of the operation of motor vehicles, as

to acts done in connection with the Contract, by Contractor.

4. If applicable, Professional Liability Insurance with limits per claim and annual aggregate of \$2,000,000.

B. The Commercial General Liability Insurance specified above shall provide that City and its agencies, officials, officers, and employees, while acting within the scope of their authority, will be named as Named Insureds on the OCPL for the services performed under this Contract and maintain products and completed operations coverage for the duration of this Agreement. Contractor shall provide to City at execution of this Contract a certificate of insurance showing all required coverage and additional insureds. The certificates of insurance will contain a provision stating that should any of the policies described in the certificate be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions.

C. All insurance coverage must be written by companies that have an A.M. Best's rating of "A-V" or better, and are licensed or authorized by the State of Missouri to do business in Missouri.

D. Contractor's failure to maintain the required insurance coverage will not relieve Contractor of its contractual obligation to indemnify the City pursuant to Section 1. If the coverage afforded is cancelled or changed or its renewal is refused, Contractor shall give at least thirty (30) days prior written notice to City. In the event of Contractor's failure to maintain the required insurance in effect, City may order Contractor to immediately stop work, and upon ten (10) days notice and an opportunity to cure, may pursue its remedies for breach of this Contract as provided for herein and by law.

E. In no event shall the language in this Section constitute or be construed as a waiver or limitation of the City's rights or defenses with regard to sovereign immunity, governmental immunity, or other official immunities and protections as provided by the federal and state constitutions or by law.

F. Contractor shall obtain evidence that all Subcontractors have in force general, automobile, and employer's and workers' compensation liability insurance in the amounts

required by these Contract Documents, and evidence that each is current on its unemployment insurance payments before Subcontractors begin Work at the Site. Contractor shall retain such evidence in its files and make available to City within ten (10) days after written request.

**Sec. 4. Governing Law.** This Contract shall be construed and governed in accordance with the laws of the State of Missouri without giving effect to Missouri's choice of law provisions. The City and Contractor: (1) submit to the jurisdiction of the state and federal courts located in Jackson County, Missouri; (2) waive any and all objections to jurisdiction and venue; and (3) will not raise forum non conveniens as an objection to the location of any litigation.

**Sec. 5. Compliance with Laws.** Contractor shall comply with all federal, state and local laws, ordinances and regulations applicable to the work and this contract.

**Sec. 6. Termination for Convenience.**

A. City may, at any time upon thirty (30) days notice to Contractor specifying the effective date of termination, terminate this Contract, in whole or in part. If this Contract is terminated by City, City shall be liable only for payment for services rendered before the effective date of termination. Contractor shall prepare an accounting of the services performed and money spent by Contractor up to the effective date of termination and shall return to City any remaining sums within thirty (30) days of such date.

B. If this Contract is terminated prior to Contractor's completion of services, all work or materials prepared or obtained by Contractor pursuant to this contract shall become City's property.

C. If this Contract is terminated prior to Contractor's completion of the services to be performed hereunder, Contractor shall return to City any sums paid in advance by City for services that would otherwise have had to be rendered between the effective date of termination and the original ending date of the Contract. Contractor shall prepare an accounting of the services performed and money spent by Contractor up to the effective date of termination

and shall return to City any remaining sums within thirty (30) days of such date.

### **Sec. 7. Resolution of Claims**

A. For purposes of this Section 7 only, the following terms shall have the meanings listed:

1. A Claim is a demand or assertion by the Contractor seeking, as a matter of right, the adjustment of Contract price and/or times with respect to the terms of the Contract.

2. City's Representative--Person or agency designated to act for the Director.

B. The Contractor must give written notice to the City's Representative within fourteen (14) calendar days after the occurrence of the event giving rise to the Claim or within fourteen (14) calendar days after the first recognition of the conditions giving rise to the Claim. After the fourteen (14) day period for filing claims has expired, the Claim shall be considered waived unless the Director grants an extension based on good cause shown by the Contractor that such additional time is warranted. The responsibility to substantiate Claims shall rest with the Contractor.

C. If the claim cannot be resolved by direct negotiation between the City's Representative and the Contractor, the parties must submit the Claim to the Director within five (5) days after the parties agree that they cannot resolve the Claim.

D. The submittal of the Claim position statements shall: 1) be in writing; 2) state the issues; 3) and state the respective positions of the parties.

E. The Director shall review the written statements and reply in writing to both parties within ten (10) working days. The Director may extend this period if necessary by notifying the parties.

F. Absent fraud, gross mistake or bad faith, the Director's decision shall be final and binding on City and Contractor within fourteen (14) calendar days after issuance.

G. All administrative procedures set forth in this contract must first be exhausted before suit is filed.

H. The time frame for the Director's decision may be tolled if the parties mutually

agree to participate in mediation. Mediator selection and the procedures to be employed in the mediation shall be mutually acceptable to both parties. Cost of the mediation, including the mediator's fees, shall be shared equally among the parties.

I. If the Claim is not resolved during mediation, the Contractor agrees that it will file no suit based on facts or evidentiary materials that were not presented for consideration to the City during the mediation process or of which the Contractor had knowledge and failed to present during the administrative procedures.

**Sec. 8. Default and Remedies.** If Contractor shall be in default or breach of any provision of this Contract, City may terminate this contract, suspend City's performance, withhold payment or invoke any other legal or equitable remedy after giving Contractor notice and opportunity to correct such default or breach.

**Sec. 9. Waiver.** Waiver by City of any term, covenant, or condition hereof shall not operate as a waiver of any subsequent breach of the same or of any other term, covenant or condition. No term, covenant, or condition of this Contract can be waived except by written consent of City, and forbearance or indulgence by City in any regard whatsoever shall not constitute a waiver of same to be performed by Contractor to which the same may apply and, until complete performance by Contractor of the term, covenant or condition, City shall be entitled to invoke any remedy available to it under this Contract or by law despite any such forbearance or indulgence.

**Sec. 10. Modification.** Unless stated otherwise in this Contract, no provision of this Contract may be waived, modified or amended except in writing signed by City and Contractor.

**Sec. 11. Headings; Construction of Contract.** The headings of each section of this Contract are for reference only. Unless the context of this Contract clearly requires otherwise, all terms and words used herein, regardless of the number and gender in which used, shall be construed to include any other number, singular or plural, or any other gender, masculine, feminine or neuter, the same as if such words had been fully and properly written in that number or gender.

**Sec. 12. Severability of Provisions.** Except as specifically provided in this Contract, all of the provisions of this Contract shall be severable. In the event that any provision of this Contract is found by a court of competent jurisdiction to be unconstitutional or unlawful, the remaining provisions of this Contract shall be valid unless the court finds that the valid provisions of this Contract are so essentially and inseparably connected with and so dependent upon the invalid provision(s) that it cannot be presumed that the parties to this Contract could have included the valid provisions without the invalid provision(s); or unless the court finds that the valid provisions, standing alone, are incapable of being performed in accordance with the intentions of the parties.

**Sec. 13. Records.**

A. For purposes of this section:

1. "City" shall mean the City Auditor, the City's Internal Auditor, the City's Director of Human Relations, the City Manager, the City department administering this Contract and their delegates and agents.

2. "Record" shall mean any document, book, paper, photograph, map, sound recordings or other material, regardless of physical form or characteristics, made or received in connection with this Contract and all Contract amendments and renewals.

B. Contractor shall maintain and retain all Records for a term of five (5) years that shall begin after the expiration or termination of this Contract and all Contract amendments. City shall have a right to examine or audit all Records and Contractor shall provide access to City of all Records upon ten (10) days written notice from the City.

**Sec. 14. Affirmative Action.** Not Used.

**Sec. 15. Tax Compliance.** Contractor shall provide proof of compliance with the City's tax

ordinances administered by the City's commissioner of revenue as a precondition to the City making the first payment under this contract or any contract renewal when the total contract amount exceeds \$150,000.00.

**Sec. 16. Assignability or Subcontracting.**

A. Assignability. Contractor shall not assign or transfer any part or all of Contractor's obligation or interest in this Contract without prior written approval of City. If Contractor shall assign or transfer any of its obligations or interests under this Contract without the City's prior written approval, it shall constitute a material breach of this Contract. This provision shall not prohibit contractor from subcontracting as otherwise provided for herein.

B. Subcontracting. Contractor shall not subcontract any part or all of Contractor's obligations or interests in this Contract unless the subcontractor has been identified in a format required by City. If Contractor shall subcontract any part of Contractor's obligations or interests under this Contract without having identified the subcontractor, it shall constitute a material breach of this Contract. The utilization of subcontractors shall not relieve Contractor of any of its responsibilities under the Contract, and Contractor shall remain responsible to City for the negligent acts, errors, omissions or neglect of any subcontractor and of such subcontractor's officers, agents and employees. City shall have the right to reject, at any point during the term of this Contract, any subcontractor identified by Contractor, and to require that any subcontractor cease working under this Contract. City's right shall be exercisable in its sole and subjective discretion. City shall not be obligated to pay or be liable for payment of any monies which may be due to any subcontractor. Contractor shall include in any subcontract a requirement that the subcontractor comply with all requirements of this Contract in performing Contractor's services hereunder.

**Sec. 17. Conflicts of Interest.** Contractor certifies that no officer or employee of City has, or will have, a direct or indirect financial or personal interest in this Contract, and that no officer or employee of City, or member of such officer's or employee's immediate family, either has negotiated, or has or will have an arrangement, concerning employment to

perform services on behalf of Contractor in this Contract.

**Sec. 18. Rules of Construction.** The judicial rule of construction requiring or allowing an instrument to be construed to the detriment of or against the interests of the maker thereof shall not apply to this Contract.

**Sec. 19. Reports.** Contractor shall provide City detailed reports of actual contract usage by category each quarter and annually at no cost.

**Sec. 20. Employee Eligibility Verification.** If this contract exceeds five thousand dollars (\$5,000.00), Contractor shall execute and submit an affidavit, in a form prescribed by the City, affirming that Contractor does not knowingly employ any person in connection with the contracted services who does not have the legal right or authorization under federal law to work in the United States as defined in 8 U.S.C. §1324a(h)(3). Contractor shall attach to the affidavit documentation sufficient to establish Contractor's enrollment and participation in an electronic verification of work program operated by the United States Department of Homeland Security to verify information of newly hired employees, under the Immigration and Reform and Control Act of 1986. Contractor may obtain additional information about E-Verify and enroll at [www.dhs.gov/xprevprot/programs/gc\\_118522\\_1678150.shtm](http://www.dhs.gov/xprevprot/programs/gc_118522_1678150.shtm). For those Contractors enrolled in E-Verify, the first and last pages of the E-Verify Memorandum of Understanding that Contractor will obtain upon successfully enrolling in the program shall constitute sufficient documentation for purposes of complying with this section. Contractor shall submit the affidavit and attachments to the City prior to execution of the contract, or at any point during the term of the contract if requested by the City.

**Sec. 21. Buy American and Missouri Preference Policies.** It is the policy of the City that any manufactured goods or commodities used or supplied in the performance of any City contract or any subcontract thereto shall be manufactured or produced in the United States whenever possible. Pursuant to Section 71.140 RSMo., preference shall be given to materials, products, supplies and all other articles produced, manufactured, made or grown within the State of Missouri.

**Sec. 22. Missouri Sales Tax Exemption.**

Pursuant to Section 144.062, RSMo, City is a Missouri exempt entity and tangible personal property to be incorporated or consumed in the construction of this Project may be purchased without sales tax. City shall furnish Contractor a Missouri Project Exemption Certificate for Sales Tax at the time of issuance of the Notice to Proceed.

**Sec. 23. Escalator Technical Survey.**

Contractor is not obligated to perform tests, correct outstanding violations or deficiencies that were not addressed by the prior service provider and/or the owner, or make related necessary repairs or component replacements on the equipment. If additional work is necessary, Contractor will provide a separate proposal or recommendation for such work. Contractor's price and obligations under this Agreement are subject to a technical survey to be performed within 90-days of the effective date. If a safety hazard or code violation is identified during Contractor's technical survey, City will immediately remove the unit from service until repairs are performed. City agrees to indemnify, defend, and hold Contractor harmless for any claims arising out of City's failure to comply with Contractor's recommendations and proposal. If City does not immediately approve Contractor's proposal or recommendation, Contractor reserves the right to terminate this Agreement without penalty.

**Sec. 24. Hazardous Materials.** Notwithstanding anything contained to the contrary within this bid or contract, Contractor's work shall not include any abatement or disturbance of asbestos containing material (ACM), presumed asbestos containing materials (PACM) or other hazardous materials (i.e. lead, PCBs) (collectively "HazMat"). Contractor shall have the right to discontinue its work in any location where suspected HazMat is encountered or disturbed. Any HazMat removal or abatement, or delays caused by such, required in order for Contractor to perform its work shall be the City's sole responsibility and expense.

**Sec. 25. Consequential Damages.** In no event will either party be liable to the other party for indirect, incidental, consequential, special, exemplary, or punitive damages of any kind or nature arising from or related to performance of the Agreement, including without limitation loss of profits, loss or inaccuracy of data, or loss of use damages, even if the party has been advised

of the possibility of such damages and even if under applicable law such damages would not be considered for indirect, incidental, punitive, special, or consequential damages. Each party hereby waives its rights to such damages to the fullest extent permitted by applicable law.

**Sec. 26. Force Majeure.** A party is not liable for failure to perform its obligations under the Agreement if such failure results from Acts of God, fire, flood, unusual delay in deliveries, unavoidable casualties, terrorist activities, government sanction, blockage, embargo, labor dispute, strike, or lockout, concealed conditions, shortage or unavailability of materials, supplies, labor, equipment or systems, interruption or failure of electricity or telephone service or any other causes beyond Contractor 's control. The non-performing party must promptly notify the other party in writing of the force majeure event and resume performance immediately upon cessation of the event.

**Sec. 27. Intellectual Property.** All proprietary and intellectual property rights to the equipment, any drawings, technical documentation and software shall remain solely with Contractor.

# EXHIBIT B



**1. TITLE:**

**Maintenance, Service, and Repair of the Elevators, Escalators, and Moving Walkways for Los Angeles World Airports**

**2. BACKGROUND**

This bid is for full maintenance and repair services of the conveyance systems at Los Angeles International Airport (LAX) and Van Nuys Airport (VNY). LAX currently has over 370 conveyance units that range from new to over 20 years old. Most of the new units are maintained under a separate preventative maintenance program that was established during the installation project. However, repairs not related to regular Preventative Maintenance (PM) work are the responsibility of the Los Angeles World Airports (LAWA) Elevator Shop and will be completed with in-house staff as well as this contract.

Also included in this bid is the required annual Los Angeles Fire Department Regulation 4 testing (LAFD Reg 4). This testing covers all elevators at LAX & VNY Airports and takes place predominantly during the off-shift.

The conveyance system infrastructure is critical to the day to day operation as well as proper passenger flow at LAX. It is imperative that this system operate effectively at all times. Contractor response time and their ability to obtain parts in a timely manner play a vital role in keeping the equipment up and running.

The Contractor will be responsible for providing the services mentioned in this Statement of Work primarily at Terminals 2, 3, 4, 6, 7, 8, and Tom Bradley International Terminal. LAWA staff will be primarily responsible for Terminals 1 and 5 and the outlying buildings. Contractor shall provide necessary support for Terminals 1 and 5 and the outlying buildings, if needed. These areas of responsibilities are subject to change, according to the needs and discretion of LAWA.

**3. SCOPE OF WORK**

**3.1 OVERVIEW**

**Pricing**

**1. KONE Monthly Maintenance Service Costs:**

**TOTAL: \$685,000.00/month**

- If a one (1) year term is approved OR any agreement with a 30, 60, or 90-day "without cause" or "for convenience" cancellation, the maintenance cost will increase 4.0% per year.

## **2. OMNIA Special Billing rates**

Any work performed outside the scope of this agreement will be performed at the Special Discounted billing rates for Los Angeles in the OMNIA agreement. (ex. 2020 mechanic rate = \$220.25/Reg. Time hour)

## **Maintenance and Modernization Services to be Performed**

1. Services shall include, but are not limited to:
    - Maintenance Purchase Orders for complete maintenance to repair or replace equipment including inspections, adjustments, testing and replacement of parts, step cleaning, and handrail replacement, as herein specified, for the safe and smooth operation of the equipment.
    - Oil and grease Purchase Orders to reduce wear and prolong the useful life of moving parts of equipment through proper lubrication on as-needed basis.
    - Emergency repairs on short notice may be required in order to restore facilities to full operating condition.
    - Provide all necessary equipment and supplies.
  - i. All parts used in full maintenance shall be manufactured by or approved by the manufacturer of the equipment being serviced and shall be compatible with original equipment. The Contractor shall furnish all products, materials, or parts necessary for the completion of work or required by applicable codes and shall furnish lubricating oils and greases of proper type and weight, rope preservative and wiping cloths. All materials and parts shall be provided in accordance with the requirements herein specified for the maintenance of all elevators and escalators listed. The contractor must own and maintain in stock, at all times for immediate delivery and installation, a sufficient supply of emergency parts for repair of each piece of equipment. Spare parts shall be genuine manufacturers' parts designed for the equipment on which they are to be used. No substitutes shall be permitted. The Contractor shall maintain an up-to-date inventory of all spare parts by part number.
  - ii. Contractor shall maintain, in stock, available for immediate usage, an inventory of replacement parts for microprocessor equipment used in the elevator systems.
  - iii. Contractor shall have full capabilities to reprogram or change the program of the elevator microprocessor.
  - iv. Contractor's service technicians shall carry diagnostic equipment designed to analyze programming and microprocessor functions and malfunctions.
2. Contractor shall provide a schedule of planned PM service calls. This schedule shall be prepared and shared with the designated representative for each Department no less than 1 month in advance of the scheduled PM service call. The schedule shall include a date with a 4-hour block of time when the Contractor will be on site for the monthly or quarterly PM service call.
  3. Contractor shall prepare an Asset Management Plan (AMP) for each piece of equipment covered by this contract. The AMP shall identify regularly scheduled tasks and recommended repairs and upgrades for each Department's review. The AMP will cover the initial term of the contract, allowing each Department to plan and budget for maintenance and upgrades in a proactive manner. The AMP should also include the likely remaining life/usefulness of the equipment.

4. In preparation for annual inspections, Contractor will work with each Department to review possible concerns and schedule repairs in advance of inspection.

### **Class "A" Preventative Maintenance**

Contractor will provide complete maintenance on the following equipment as described herein, with the exception of entrapments, reversals and restarts. Complete maintenance includes providing systematic examinations, cleaning, lubrication, adjustments, and when conditions warrant, repair or replacement of parts. Complete maintenance shall also include step cleaning and handrail replacement services. The work to be performed by the Contractor under the specifications shall consist of furnishing all material, labor, supervision, tools, supplies, and other expenses necessary to provide full service and preventative maintenance services, and repairs of every description, including inspections, adjustments, test and replacement parts as herein specified.

The Contractor shall systematically examine, adjust, lubricate, clean and when conditions warrant, repair or replace the following basic and major components as well as all other mechanical or electrical equipment, including, but not limited to, the following items. Contractor shall include as a part of its response any additional components that it considers a part of preventive maintenance.

#### **1. Traction/Machine Room Less Elevators (MRL)**

##### **A. CAB**

- i. **Safety Edge /detector edge:** confirm that the device works as intended and per code, confirm no damage or loose from the door, confirm no visual damage to cables.
- ii. **Floor Levels:** check for accurate floor level stopping at all floors both directions slow speed and high speed runs. Confirm within code compliance.
- iii. **Lamps and signals:** check that all push button and signal lights and audible devices function, cab lighting functions, , and no damage to push buttons.
- iv. **Emergency communications:** Verify proper operation of telephone, alarm bell, emergency light, and, if provided, Car to Machine room communication.

##### **B. Cartop**

- i. **Gate Switch:** check for proper adjustment, wipe and cleanliness (pitting, burnished, oxidation). Adjust or replace if necessary.
- ii. **Door operator & Clutch:** check for worn belt, check for proper alignment of sheaves, check for proper tension on, belt and chain, check for proper performance of all bearings, check for proper adjustment and functioning of door restrictor, clean and lubricate per manufacture specifications, replace any items as needed to provide smooth quiet operation.
- iii. **Clean Cartop:** Clean entire cartop
- iv. **Car door hangers and tracks:** check for wear of hanger rollers, check for proper door alignment, clean and lubricate all components per manufacture specifications, replace as needed to provide smooth quiet operation.
- v. **Leveling Devices:** check for proper operation, alignment, and tracking. Replace any guides if provided, clean all components, lubricate any steel tape with wax, adjust tension if necessary to provide smooth quiet operation
- vi. **Cartop Devices:** to include slipper shoes, roller guides, cartop lighting and 110vac, inspection stations, cartop handrails. Adjust and lubricate car guides per manufacture specifications, replace guides, or rollers as necessary to provide

smooth quiet ride. Check for functioning lighting and 110vac on cartop. Check for proper operation of cartop inspection station.

- vii. **Cartop Sheaves and guards:** Inspect clean adjust lubricate as necessary to provide smooth quiet operation of elevators.
- viii. **MRL Belt Monitor:** Inspect clean adjust as necessary to ensure proper operation and monitoring of hoist belts per code.
- ix. **Safeties:** Inspect, clean, lubricate, adjust and repair or replace as necessary for proper smooth quiet operation of safeties, and all related linkage, arms, switches, shoes, jaws, rollers, bearings.

**C. Hoistway**

- i. **Hall Door Equipment:** to include inspection, cleaning, adjusting, lubrication and replacement if necessary to provide smooth quiet door operation.
- ii. **Doorlocks:** Inspection, cleaning adjusting and replacement if necessary, to allow smooth quiet proper operation, wipe and electrical contact of both stationary, and moveable contacts
- iii. **Limit Switches:** Inspection, cleaning, adjusting and replacement if necessary, to allow smooth quiet proper operation, wipe and electrical contact of both stationary, and moveable contacts.
- iv. **Rails:** Inspection, cleaning, lubricate, confirm solid connection to building structure, to provide smooth running operation of the elevator
- v. **Clean Hoistway:** Clean entire hoistway to include, rail brackets, spreader beams, headers and sills.
- vi. **Access Key Switches:** Test and verify proper operation.
- vii. **Hoist Ropes/ Belts:** Inspect, clean, adjust, equalize as necessary to provide long life of components. Shorten as necessary to provide proper amount of run-by.
- viii. **Deflector Sheaves:** Inspect, clean, adjust, lubricate as necessary to provide proper, smooth quiet operation.

**D. Machine Room (all items relate to MRL as well)**

- i. **Controller:** Clean and inspect controller, looking for shavings, dirt build up, failing relays (burnt contacts), excessive heat caused by resistors. Replace any components as necessary prior to failing.
- ii. **Processor Battery:** Replace battery Annually, without fail.
- iii. **Starter Contacts:** Inspect, clean, adjust and replace as necessary to provide proper operations and eliminating damage to motor.
- iv. **Hoist Motor/Generator Bearings:** Inspect, clean, adjust, lubricate, and replace as necessary to provide smooth quiet operation of Hoist motor and Generator.
- v. **Hoist Motor/Generator Brushes:** Inspect, adjust, clean, repair and replace brushes as necessary to provide proper motor, generator operation.
- vi. **Brake Assembly:** Inspect, adjust, clean, lubricate all components of the brake, repair and replace any components that show signs of wear or damage.
- vii. **Machine:** Inspect, clean, adjust, repair and replace as necessary any components to provide proper smooth, quiet reliable performance of the elevator. Verify no leaks, are present, or unnecessary wear of gears or any other components.
- viii. **Machine Room Floor:** Inspect, clean and paint as necessary to provide clean, freshly painted oil free surface.
- ix. **Governor:** Inspect, clean, adjust, lubricate, repair and replace as necessary to provide proper smooth quiet operation, as well provide proper operation under emergency conditions.

**E. Pit**

- i. **Buffers:** Inspect, clean, adjust, lubricate, repair and replace as necessary to provide proper smooth quiet operation, as well provide proper operation under emergency conditions.
- ii. **Compensating Ropes/Cables:** Inspect, adjust clean as necessary to provide proper smooth quiet operation.
- iii. **Governor Tail Sheave:** Inspect, adjust clean as necessary to provide proper smooth quiet operation.
- iv. **Clean Pit:** Inspect, clean and paint pit as necessary to provide clean freshly painted oil free surface.

**F. Miscellaneous**

- i. **Rescuvator:** Inspect, clean, and test as necessary to provide proper operation due to power outage.
- ii. **Door Pressure:** Test and verify door pressure is within code compliance. Adjust if necessary.
- iii. **Fire Service Testing:** Key test Phase I and Phase II operation of elevator per code instructions *monthly*. Log and send report to LAWA. Repair any deficiencies.

**2. Traction/MRL**

**A. CAB**

- i. **Safety Edge /detector edge:** confirm that the device works as intended and per code, confirm no damage or loose from the door, confirm no visual damage to cables.
- ii. **Floor Levels:** check for accurate floor level stopping at all floors both directions slow speed and high speed runs. Confirm within code compliance.
- iii. **Lamps and signals:** check that all push button and signal lights and audible devices function, cab lighting functions, and no damage to push buttons.
- iv. **Emergency communications:** Verify proper operation of telephone, alarm bell, emergency light. And, if provided, Car to Machine room communication.

**B. Cartop**

- i. **Gate Switch:** check for proper adjustment, wipe and cleanliness (pitting, burnished, oxidation). Adjust or replace if necessary.
- ii. **Door operator & Clutch:** check for worn belt, check for proper alignment of sheaves, check for proper tension on belt and chain, check for proper performance of all bearings, check for proper adjustment and functioning of door restrictor, clean and lubricate per manufacture specifications, replace any items as needed to provide smooth quiet operation.
- iii. **Clean Cartop:** Clean entire cartop
- iv. **Car door hangers and tracks:** check for wear of hanger rollers, check for proper door alignment, clean and lubricate all components per manufacture specifications, replace as needed to provide smooth quiet operation.
- v. **Leveling Devices:** check for proper operation, alignment, and tracking. Replace any guides if provided, clean all components, lubricate any steel tape with wax, adjust tension if necessary to provide smooth quiet operation
- vi. **Cartop Devices:** to include slipper shoes, roller guides, cartop lighting and 110vac, inspection stations, cartop handrails. Adjust and lubricate car guides per manufacture specifications, replace guides, or rollers as necessary to provide smooth quiet ride. Check for functioning lighting and 110vac on cartop. Check for

proper operation of cartop inspection station.

**C. Hoistway**

- i. **Hall Door Equipment:** to include inspection, cleaning, adjusting, lubrication and replacement if necessary to provide smooth quiet door operation.
- ii. **Doorlocks:** Inspection, cleaning adjusting and replacement if necessary, to allow smooth quiet proper operation, wipe and electrical contact of both stationary, and moveable contacts
- iii. **Limit Switches:** Inspection, cleaning, adjusting and replacement if necessary, to allow smooth quiet proper operation, wipe and electrical contact of both stationary, and moveable contacts.
- iv. **Rails:** Inspection, cleaning, lubricate, confirm sloid connection to building structure, to provide smooth running operation of the elevator
- v. **Clean Hoistway:** Clean entire hoistway to include, rail brackets, spreader beams, headers and sills.

**D. Machine Room**

- i. **Controller:** Clean, and inspect controller, looking for shavings, dirt build up, failing relays (burnt contacts), excessive heat caused by resistors. Replace any components as necessary prior to failing.
- ii. **Processor Battery:** Replace battery annually without fail.
- iii. **Starter Contacts:** Inspect, clean, adjust and replace as necessary to provide proper operations and eliminating damage to motor.
- iv. **Oil Level:** Check and verify oil level is at proper amount to avoid cavitation, as well have enough to help disperse oil heat.
- v. **Motor Belts:** Inspect, adjust and replace as necessary before failure to provide proper motor and pump operation.
- vi. **Pump Unit:** Inspect, clean, adjust and replace components as necessary before failure, to provide proper motor, pump, valve operation. Monitor oil temperature to verify excessively hot oil does not damage valve. Inspect for any leaks, from any equipment, repair and or replace components as necessary to avoid leaks. Clean exterior of tank unit to include drip recovery pan on dry units.
- vii. **Machine Room Floor:** Inspect, clean and paint as necessary to provide clean, freshly painted oil free surface.
- viii. **Machine Room Piping:** Inspect, clean, repair and replace any fittings causing leaks.

**E. Pit**

- i. **Clean Pit:** Inspect, clean and paint pit as necessary to provide clean freshly painted oil free surface.
- ii. **Oil Recovery Device:** Inspect, clean repair and replace as necessary to provide proper operation and recovery of any oil leaking from Jack head.
- iii. **Main Piston and Packing:** Inspect, clean adjust, repair and replace packing as necessary to eliminate any leaking of packing. Inspect piston for any scratches, or wearing that can cause damage to packing glands.

**F. Miscellaneous**

- i. **Rescuator:** Inspect, clean, and test as necessary to provide proper operation due to power outage.
- ii. **Door Pressure:** Test and verify door pressure is within code compliance. Adjust if necessary.
- iii. **Fire Service Testing:** Key test Phase I and Phase II operation of elevator per code

instructions *monthly*. Log and send report to LAWA. Repair any deficiencies.

**Step Cleaning**

Contractor must have the expertise to perform escalator and moving walkway step cleaning services throughout LAX.

Contractor pricing identified within the bid worksheet shall include labor, supervision, materials, tools, insurance, profit, travel expenses, overhead, personnel, expendable supplies and all other related costs to perform the work described in the specifications.

This contract is based on hourly labor rates to perform services as partially described within these specifications. All work must be approved by the LAWA FTSD Director of Maintenance or his designee and documented via certified time slips. This documentation must be submitted with each monthly invoice.

These specifications are a statement of the minimum level of work and services that are to be provided under this contract. They are not intended to be, nor shall they be construed as, limiting specifications and measures, which would be taken by a prudent building owner to maximize the life expectancy of the property.

Daily inspections will be performed by the contractor and LAWA Elevator Shop after services are completed. The LAWA Elevator Shop has the final determination on acceptable level of cleanliness. Any unit found to be in an unacceptable state shall be re-cleaned the next business day free charge.

All work shall be inspected and approved by the supervisor of the LAWA Elevator Shop. All deficiencies shall be brought to the attention of the Contractor for correction. If deficiencies are not corrected by the next business day, a Contractor Discrepancy Report (CDR) will be issued. A CDR is formal written documentation of the Contractor's lack of performance or non-performance for contracted work. If two (2) CDRs are issued to the Contractor within any twelve (12) month period of the contract, LAWA reserves the right to terminate the contract within ten (10) days after the Contractor receives the second CDR.

Contractor shall be responsible for all transportation costs to and from the customer's service location and at no time shall LAWA be billed for mileage, travel, fuel or truck charges.

Sub-contracting may be allowed under certain circumstances and must always be approved by the LAWA Elevator Shop prior to any work commencing.

LAWA reserves the right to assign work to the Contractor as the Department believes will best serve LAWA. The award of jobs shall be on an as needed basis; there is no minimum amount of work that is guaranteed.

**Class "B" Examination, Oil and Grease Service**

1. Refer to previous applicable descriptions of work and materials required.
2. Examine equipment herein described using skilled maintenance mechanics, with a minimum of three years of field experience, under contractor's supervision.
3. Service shall include labor and all related expenses necessary for providing monthly

examinations, oil and grease service of elevators including but not limited to cleaning and oiling machine, motor, signal devices, interlocks and controller, greasing or oiling guides, necessary minor adjustments at time of regular examinations and furnishing necessary lubricating oils and greases, rope preservative, and wiping cloths.

4. All Class "B" work is to be performed during regular working hours of regular working days of the elevator trade.

#### **Modernization**

1. Contractor shall offer a complete range of repairs and upgrade solutions ranging from any improvement, modification, renovation or additional equipment or features added or made to existing elevators, escalators, walkway, wheelchair lift, chair lift, platform lift and dumbwaiter equipment to better the performance, safety, cosmetic appearance or to meet any new code (building or equipment) requirements, local jurisdiction requirements, insurance requirements or to repair any equipment that may need to be modified or replaced due to obsolescence, flood, fire, any damage done to equipment for any reason, part failure, misuse or age. Examples include, but are not limited to, new or updated controllers for all types of equipment, new or updated signal fixtures for all types of equipment, new hydraulic jack, machine or pump unit modifications or replacements, new or modifications to elevator cab interiors, new door edges, new valves, new ropes, new or modified door equipment, new or modified car door operators, new or modified hoistway doors or equipment, ADA upgrades, any code upgrades, and escalator or walkway steps or pallets, complete replacement (except for truss) and handrails.
2. Contractor shall examine the existing equipment, determine condition of any retained components; space conditions, power supply, mainline disconnect, and make any surveys necessary to repair and/or upgrade and modernize equipment.
3. Any retained components are to be examined, cleaned, and adjusted as necessary.
4. Contractor shall provide temporary screens between equipment before work starts and remove at completion of project.
5. City has the first right of refusal to retain any equipment components that are to be removed and modernized with new equipment. All removed components shall remain property of the City, until the City notifies the Contractor, in writing, of removed components that City would like to retain. All remaining equipment not to be retained by the City or reused by the Contractor shall be promptly removed from the building by the Contractor at no cost to the City, and become the property of the Contractor. The Contractor shall make every attempt to recycle removed equipment. The Contractor shall correct any damage to building surfaces and surrounding areas if damaged during the removal of this equipment at no cost to the City. 6 Contractor shall visit the building, examine the existing conditions, power supply, mainline disconnect, and include all work needed to ensure a fully code compliant repair, upgrade or modernization.

#### **Work Sequence**

1. Contractor shall coordinate with the building manager of each facility listed prior to performing any work specified in the contract. All work shall be done in sequence and at times which will cause the least amount of interruption of normal activities and will not endanger the normal security of the facility or the safety of personnel.

### **Communications and Response**

1. The contractor shall maintain the following communication capability with the City for responding to emergency call back service requests:
  - Provide 24-hours a day, seven days per week, emergency call back service which consists of responding promptly to service requests from the City's authorized representatives made by telephone or other means.
  - Provide emergency service within one (1) hour of service request unless otherwise directed by the City's representative.

In the event that the contractor is unable to provide a response as mentioned above, contractor shall provide notice to LAWA, and, at LAWA's discretion, shall allow the work to be completed by LAWA staff and/or a third party vendor.

### **Scalability**

1. Due to the constant operations at LAX, there is a need for scalability of the statement of work. At LAWA's discretion, locations and conveyances covered under this contract are subject to change. This may include the addition and/or omission of locations and conveyances. LAWA shall provide the contractor with prior notice of any changes that are to be made. Once the contractor has been given notice, these additions and/or omissions shall be incorporated into this statement of work.

Should LAWA have a need to add and/or remove locations, conveyances, and/or services that could not be anticipated at the time of drafting the statement of work, the contractor understands and agrees to incorporate these changes into this statement of work.

### **Emergency Call Back Services**

1. "Emergency call back" is defined as a request from the City to the contractor, to service a specific piece of equipment, to correct any problem and/or condition, which, in the City's opinion, needs attention, immediately or before the contractor's next scheduled preventative maintenance visit.
2. Contractor will, at no charge to the City, provide emergency call back service during the regular working hours of the elevator trade on all equipment covered by Class "A" Complete Maintenance. If emergency callback service is required on equipment covered by Class "A" Complete Maintenance outside of normal working hours, the City will pay only the difference between the regular hourly billing rate and the regular overtime billing rate applicable for each overtime hour worked according to the hourly rates specified on the "Emergency On Call Rate Schedule."
3. City will pay the Contractor the full applicable hourly rate for emergency callback service on all equipment not covered by Class "A" Complete Maintenance according to the hourly rates specified on the "Emergency On-Call Rate Schedule."

### **Records**

1. The Contractor will have an established record keeping system. The documentation system will include all reports of elevator service calls placed by the City and track the time and date of each occurrence, the response time and nature of the problem both reported and ultimately discovered and the steps taken to correct the problem. These records will also be kept on an individual unit basis.

MAINTENANCE, SERVICE, AND REPAIR OF THE ELEVATORS, ESCALATORS AND MOVING WALKWAYS  
EXHIBIT B-LAWA STATEMENT OF WORK

2. Contractor will keep archived a maintenance history, used by the technician to record completed work. The maintenance history must indicate the last completion date for each procedure by unit. The history shall be maintained throughout the life of the contract so that procedures completed in years prior to the current year are properly documented.
  3. Contractor shall provide copies of all service tickets, initialed and checked Maintenance Report form to City and any Participating Public Agency with invoice.
  4. Contractor shall maintain in the elevator, escalator or walkway machine room all maintenance records in accordance with the requirements of ASME A17.1, 2004, Item 8.6.1.4.
  5. At any other time, at the City's request, Contractor shall provide the City with additional copies of its standard Customer report of repairs, tests, and service calls for the units, listed per unit.
  6. Plans and documents shall be updated with any changes made and shall remain in possession and ownership by the City. Documentation shall include all programming changes and modifications to protect the reliability of the documentation.
    - The individual manufacturer's "Field Service Manuals" for elevator and escalator installation and maintenance are on site with the controller as required by Code.
    - Contractor shall provide and keep current an approved chart, posted in the elevator mechanic's room, indicating the status of all servicing and maintenance work performed and shall indicate date work was performed.
  7. In addition to phone service requests, Contractor shall provide an online service to allow City direct access to the 24-hour dispatching system and database from a personal computer. This service shall allow the City to place a service call and review the status of the service of the service call directly from the personal computer. The City shall further be able to access repair and service call history for any units on Contract. The Contractor shall provide instructions and training on how to use the system.
  8. At a minimum, the Contractor's online system will be able to provide the following:
    - 12 month rolling history of callback data that will show dates, times, reported problem and resolution. Data will be "live" to show status of call (received, dispatched, onsite, done)
    - "Average Time Between Callback" data on a per property and per unit basis
    - 6 month history of all visits to the property including those for maintenance, callbacks, testing, and repairs.
    - Proposal history to view any open proposals and service recommendations.
    - Local sales representative and superintendent contact information.
    - Generate e-mails to the City for callback notifications, summary of callbacks (either weekly, monthly, quarterly, or annually).
    - Indicate if equipment has remote monitoring.
    - Data shall be able to be downloaded in to excel or pdf format,
- Prior to contract start, the Contractor shall provide the Internet web address, and instructions and training on how to use the system.
9. Contractor must enter and update data into Los Angeles World Airport's Maximo system. This includes recording, tracking, and documenting all escalator and elevator assets,

such as their Preventative Maintenance and Corrective Maintenance, in Maximo.

**Site Inspections**

1. The City reserves the right to make site inspections and/or take samples at any time on an unannounced basis for the purpose of verifying the accuracy of services, procedures, and/or documentation applicable to the contract.
2. The Contractor shall call for and schedule all required Inspections for Permitted work as required by Los Angeles Department of Building and Safety and corresponding ASME Standards.

**Authorization to Work**

**1. Purchase Orders**

- A. Contractor will receive Purchase Orders by electronic mail or facsimile from the City's Representative to perform maintenance work.
  - B. If Contractor determines the maintenance Purchase Order will exceed \$5,000.00, a written not-to-exceed proposal may be requested, with a proposed number of calendar days required to perform the work. Work on such maintenance Purchase Orders shall not begin until written authorization is given by the City's Representative. Proposals shall include but not be limited to the following:
    - i. Include this Contract Number.
    - ii. Itemize all anticipated site expenses including all material and labor costs based on the applicable prevailing wage rates.
    - iii. Include proposed number of Calendar Days required to complete the ordered work.
2. Samples, product information, and manufacturer's warranty information shall be submitted when requested by the City's Representative.
  3. Contractor's written proposal, if required, will serve as a maximum not-to-exceed cost amount and include the number of estimated work hours and total repair cost.

**4. Emergency Work**

- A. Contractor will receive Purchase Orders by telephone, electronic mail or facsimile from the City's Representative to perform emergency work. The Contractor will be given a Purchase Order number.
- B. If, after being dispatched to perform emergency work, the Contractor determines that repairs totaling \$5,000 or more are necessary, that fact shall be reported to the City's Representative. A written proposal may be required at the discretion of the City's Representative before the work is performed.
- C. Contractor's written proposal, if required, will serve as a maximum not-to-exceed cost amount and include the number of estimated work hours and total repair cost.

**5. Not-To-Exceed Proposals**

- A. Contractor shall submit a written not-to-exceed proposal as required and when requested by City's Representative.

**6. Stop Work Orders**

- A. The City reserves the right to verbally order that all work cease on a project at any time.
- B. The individuals authorized to issue verbal work stop orders are:
  - i. Director of Maintenance (DM), or authorized designee.

**Job Site Administration**

- 1. **General:** The contractor or a duly authorized project manager acting for the contractor shall continually be present at the site of the work while work is in progress for the duration of the project.
- 2. The Contractor's representative or service tech will contact the designated representative for the facility upon arrival and also before leaving the site. Before leaving the site, a debriefing of the work done, findings of the equipment and any additional work needed will be reported to the City representative. A written summary of these points will, also, be submitted. The Contractor representative will confirm if the equipment is in service or is out of service. If the equipment is left out of service, an explanation of why, what work needs to be done to make it operational again, and anticipated time frame to complete the work will be covered in the debriefing.
- 3. Contractor will meet with representatives from each Department individually on a quarterly basis, or as requested by the Department, to review status of service, concerns, upcoming repair schedule, recommendations for repairs/upgrades, etc.

**Rental Equipment**

- 1. Contractor shall obtain prior approval from the City's Representative to rent equipment other than that required to be provided. Contractor will not be reimbursed for unauthorized rental equipment.
- 2. Should the need arise for special equipment, other than that required to be provided in the hourly rate, and special equipment must be rented, the reimbursement shall be at cost with no markup. If Contractor owns such equipment, reimbursement will be made to Contractor for use of the equipment at a rate determined by the average rental rates available in the area.

**Use of Site**

- 1. During execution of Work, all areas of all buildings shall remain occupied except those where work is actually being performed.
- 2. Contractor shall confine Contractor's equipment, the storage of materials and equipment, and the operations of workers to the site and other areas identified in and permitted by the City.
- 3. Contractor shall not unreasonably encumber the site and the other areas with equipment or other materials or equipment.
- 4. Contractor shall cover or otherwise protect equipment which is not feasible for City to remove from areas during work.

5. The Contractor shall provide protective padding, tarpaulins, and other material as necessary to ensure existing floor, wall, and ceiling finishes not included in the work are not damaged.
6. Contractor shall assume full responsibility for any damage to the site or the other areas, or to the owner or occupant thereof, or of any adjacent land or areas, resulting from the performance of the work.
7. During the progress of the work, Contractor shall keep the site and the other areas free from accumulations of waste materials, rubbish and other debris resulting from the work.
8. At the completion of the work, Contractor shall remove all waste materials, rubbish and debris from Site and other areas as well as all tools, appliances, construction equipment and machinery and surplus materials.
9. Contractor shall leave the site clean and ready for utilization or occupancy by City at completion of the work.
10. Contractor shall restore to all property not designated for alteration by the Contract documents to its pre-work condition.

**Labor Compensation (when applicable for Time and Material)**

1. Hourly rate will be paid to the Contractor for each workman while on the job site only.
2. For purpose of billing for labor used for work performed under this Contract, the Labor Compensation shall be the applicable hourly wage on the trade or craft that applies.
3. The hourly labor includes the following items and the City shall not be liable for or bill separately for same:
  - Contractor-owned usual and customary tools, machinery and equipment, including operating expenses, for the types of construction, maintenance and repair specified herein, including but not limited to:
  - Service trucks and all related expenses.
  - Normal expendables
  - General Conditions including Insurance and Bonds
  - Office expenses
  - Profit and other overhead

**Airport Security Requirements**

1. Contractor shall comply with all airport security requirements at those locations.
2. Contractor shall comply with Transportation Security Administration ("TSA") Background Check. Each employee of the Contractor engaged in furnishing the described services shall be subject to a criminal history records check as required by the TSA. The Contractor shall pay a \$35.00 fee for each employee for fingerprinting and background processing and a \$100.00 security deposit for each badge issued. The security deposit is returned when the badge is surrendered or at the completion of the contract. Additionally, each employee performing services on site shall attend required Security Identification Display Area ("SIDA") training and comply with all applicable security rules and regulations.

3. **Restricted Areas/Security.** Contractor will be responsible for complying with any and all applicable present and future rules, regulations, restrictions, ordinances, statutes, laws and/or orders of any federal, state or local governmental entity regarding airfield security. Contractor shall fully comply with all applicable provisions of the Transportation Security Administration ("TSA") Regulations, 49 CFR Part 1542 (and Part 1544 if Lessee is an Air Carrier), *TSA Security Guidelines for General Aviation Airports*, and *Aviation Department Policy on Passenger Carrier Flights at Charles B. Wheeler Downtown Airport*, or as it may be amended or superseded, City has adopted a Security Plan for the Airport approved by the TSA pursuant to Transportation Security Regulation ("TSR"), Part 1542. Contractor agrees to be bound by and follow the Security Plan. Any access to the Airport granted to Contractor shall not be used, enjoyed or extended to any person, entity or vehicle engaged in any activity or performing any act or furnishing any service for or on behalf of the Contractor that Contractor is not authorized to engage in or perform under this Contract unless expressly authorized in writing by the Director in accordance with TSR, Part 1542. In the event Contractor, its officers, employees or invitees cause or contribute to unauthorized persons or vehicles entering the air operations areas of the Airport, or otherwise violate the Security Plan or any laws, regulations, rules, etc. governing airport security, and in addition to any other remedies available hereunder, Contractor shall be liable to City for an amount equal to any civil penalty imposed on City by the TSA.

The City's preventative maintenance plan calls for a service technician to be assigned full time to the airport project site to perform preventative maintenance on the equipment. The service technician will be responsible for the maintenance, repair and testing of all the elevator and escalator equipment at the project.

### **Inspections, Tests, and Reports**

1. Contractor shall provide all labor, tools, equipment, materials and all incidentals required and/or implied for the complete and satisfactory performance of routine and periodic inspections and witnessing of periodic tests of all equipment in the Scope of Work as required by the City.
2. Contractor shall be an experienced and competent service provider who has satisfactorily inspected and witnessed the testing of equipment of this type to the degree included in these specifications. Inspectors and Inspection Supervisors shall be qualified in accordance with ASME QEI-1 2013. Inspectors shall also be certified to perform elevator inspections by the International Code Council (ICC) and by an agency accredited by the ASME to certify elevator inspectors and inspection supervisors.
3. The Contractor shall not be a firm actively engaged in providing elevator maintenance and/or repair services.
4. Contractor will perform all required tests, including an annual safety test for all elevators and escalators and the five (5) year full load test for the electric elevators, performed in the presence of a City Codes inspector and State inspectors. Contractor will perform a pressure relief test and a yearly leakage test on hydraulic elevators as required by the A.S.M.E. A-17 .1 code. Tests shall be performed as required by the American National Standards Institute (ANSI), as referenced herein.
5. Testing of all safety devices and governors, as required by the American National Standards Institute (ANSI), 2010 edition, Section 17.1 and Section 17.3, as adopted

under the Los Angeles Building and Safety Code, the State of California Division of Occupational Safety and Health, CalOSHA Elevator Unit, and at regular intervals not exceeding one (1) year. The contractor shall promptly correct any defects that may be found in the testing and examining of safety devices.

6. The specific dates and times of visits shall be scheduled to the mutual satisfaction of the Contractor and the Public Agency's maintenance providers. Unless otherwise requested, all testing and inspections should be performed during normal business hours.
7. The contractor shall submit a written inspection report within ten (10) business days to the City. The report should include the existence of the development of and defects in, or repairs required to, the equipment and shall also furnish a written, detailed estimate of the cost to make the necessary repairs.
8. After tests have been performed, all safety devices shall be checked and adjusted as required to meet manufacturer's recommendations. Equipment shall not be placed in service until all tests, checks and adjustments are complete and equipment is in proper working condition. The Contractor shall not be held responsible for any damage to the building and equipment caused by the test, unless such damage is a result of negligence. Failure to follow correct procedures to prevent damage and failure to perform pretest examinations shall be considered negligence by the Contractor.
9. Contractor shall perform annual test of Firefighter's Service features on each elevator with such features as outlined in ANSI A17.1 Code, and shall provide monthly tests of this Firefighters service when local code requirements necessitate such testing to be performed by elevator service technicians.
10. Periodically inspection services may be required other than those specified here (ex. acceptance inspections for major alterations or other inspections at a greater frequency than that specified herein). All extra inspection services shall be performed according to the applicable version of ASME A17.1 and A17.2 and local codes and ordinances, and shall be performed on an hourly labor rate basis according to the labor rates provided in Appendix A-3.

### **3.2 DELETED**

### **3.3 OPTIONAL MATERIAL/SERVICES**

Contractors are encouraged to offer materials and/or services directly related to the scope of work, but not included in it, which will enhance the fulfillment of the business needs/objectives. Optional materials should be clearly indicated and pricing/costs itemized as appropriate. These options may be included in the resulting contract.

### **3.4 RESOURCE AVAILABILITY**

#### **3.4.1 MATERIAL VS. LABOR PERCENTAGE**

Specify type of work involving materials versus labor (approximates):

Percentage Labor: 85 %

and

Percentage Material: 15 %

**4.0 TERMS & CONDITIONS**

**4.1 EXCLUSIVITY TERMS**

This is a non-exclusive contract and LAWA is only obligated to Contractor for the scope and amount authorized within any given executed proposal and purchase order.

**5. PERIOD OF PERFORMANCE**

Specific start and ends dates will be determined after Contractor meets LAWAs Procurement Administrative Requirements.

**5.1 SERVICE HOURS**

Contractor recognizes that LAWA's hours are as follows, and must be prepared in advance to adjust work schedule to meet these hours, if deemed necessary by the project manager assigned to the project once the contract is executed. LAWA may change the service hours as needed with a request in writing to the contractor.

- Weekly Service Hours: 7:00 a.m. - 3:30 p.m., Monday - Friday
- Overtime Service Hours: 3:30 p.m. - 7:00 a.m., Monday - Friday
- Holiday and Weekend Service: Saturday, Sunday, and holidays (i.e., nationally and federally recognized).

**5.2 SERVICE LOCATIONS**

The work required consists of providing elevator, escalator, wheelchair lift, chair lift, and walkway maintenance, modernization and repair services at several facilities in LAX and VNY, including, but not limited to:

<b>Los Angeles International Airport</b>	
Passenger Terminals 1-8	100 - 800 World Way
Tom Bradley International Terminal (TBIT)	380 World Way
Theme Building	201 Center Way
Clifton A. Moore Admin Building (Admin East)	One World Way
Administration West Building	7301 World Way West
All parking Structures in the Central Terminal Area	101 - 701 World Way
Parking Structure "F"	Century Blvd. & Avion Drive
Airport Police Station	6320 West 96th Street
Telecom Building	10285 Post Way
Remote Terminal Buildings (Airfield)	7485 World Way West Gates 210 - 218
Badging/Operations Building	7333 World Way West
Maintenance Services Admin Bldg.	7411 World Way West
Airfreight Building	5758 Century Blvd.
Record Retention Building	6060 Avion Drive
LAFD Rescue 80 Fire Station	LAX Airfield
Central Utilities Plant (CUP)	261 Center Way

<b>Van Nuys Airport</b>	
Flyaway Bus Terminal - Van Nuys Airport	7610 Woodley Ave.
Parking Structures – Van Nuys Airport	7610 Woodley Ave.

\*Note: These locations are subject to change.

- The field side insurance is required to work or to access the work site(s): Yes  No
- Access is needed to a Federal Inspection area where customs badge and customs bond are required: Yes  No
- There is staging area(s), materials/tools storage area(s) to be shown to Contractors during work site inspection: Yes  No

## 6. CONTRACTOR RESPONSIBILITIES

### 6.1 PROPOSALS AND PURCHASE ORDER AGREEMENTS

For each LAWA purchase request, Contractor is to provide a proposal indicating the cost for product or service to include materials, parts, and or repair costs. If there is a change in the original proposal, Contractor obtains written approval from the LAWA Project Manager. The proposal will be used to generate and/or update a Purchase Order (PO) number. Contractor will need to obtain from LAWA, an updated or new PO # prior to the delivery and/or service date. In an emergency situation, the Contractor will provide a proposal within 2-business days of the emergency event. LAWA will then provide PO # based on the Proposal. Contractor will also provide a signed Bill of Lading or proof of delivery.

Upon request from LAWA, Contractor shall provide a complete detailed proposal for each task, materials, and parts.

### 6.2 MATERIALS, PARTS & SERVICES

Any services, materials, and parts to be provided by Contractor shall only be performed pursuant to proposals and purchase orders that provide a detailed description of materials, parts (including their mark-up and/or discounts). Any services or tasks to be performed must include the time frame for the work to be completed, and shall not exceed the amount to be charged as detailed in the proposal.

### 6.3 EXCLUSIVITY TERMS

This is a non-exclusive contract and LAWA is only obligated to Contractor for the scope and amount authorized within any given executed proposal and purchase order.

### 6.4 PROPOSAL AMENDMENTS

Proposals and purchase orders and any amendments to them shall be in writing and signed by LAWA and the Contractor.

**6.5 WARRANTY**

Contractor shall guarantee all material furnished, for a period of one (1) year after the date of final acceptance of the Work (free parts and labor for defective material on workmanship or failure to operate property). Neither the final acceptance nor the final payment nor any provision in the contract documents shall relieve Contractor of responsibility for faulty material or quality of work. LAWA shall give notice of observed defects to the Contractor with reasonable promptness. Contractor shall remedy the defects and pay for any damage to other resulting work, which appears within one (1) year after final acceptance.

**6.6 EMPLOYEE BADGING**

Contractor shall be responsible for all costs associated with badging under this proposal. LAWA requires the successful Contractor to apply for LAWA badges immediately after the issuance of the Contract. Application for employee badging will be done at the successful Contractor's expense. The badging process includes application for the Customs icon. In addition, the successful Contractor will be given up to thirty (30) calendar days to complete the badging process.

The successful Contractor must submit to LAWA a weekly status report of their LAWA badge application. If it is determined that there is no noticeable progress in the successful Contractor's badge application process for two (2) consecutive weeks, the LAWA Project Manager will consider this an unsatisfactory contract performance and will notify the successful Contractor in writing as specified in the Contractor's Problem Log of the bid package.

Unless there is a prior written agreement with LAWA, the successful Contractor is expected to have at least two (2) technicians badged with the Customs icon, at the end of the thirty (30) day period. If the successful Contractor fails to meet this deadline, the LAWA Project Manager will consider this an unsatisfactory contract performance and will notify the successful Contractor in writing as specified in the Contractor's Problem Log of the bid package.

**6.7 LICENSE REQUIREMENTS CODES & REGULATION**

*(What are the licenses or regulations required to provide a professional level of product or service. List any certifications and or required years of experience. Indicate if the Contractor requires a third party product or service to meet the demands of the proposal.)*

No license required. Comment required:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

License required:

- 1) State: Certified Competent Conveyance Machine – General Certificate - DOSH
  - 2) Los Angeles Department of Building and Safety (LADBS): Journey Level Elevator  
Mechanic License
- 

## 7. RISKS AND CONSTRAINTS

### 7.1 INCIDENTAL WORK

It is expressly understood and agreed that Contractor shall perform all incidental work required to complete the services as described by each Proposal, including work for which no specific proposal item(s) was/were included, and/or including work which is required to furnish final, finished and detailed work consistent with and fulfilling the intent of the proposal. All such incidental work shall not be considered extra work for which additional compensation can be claimed by Contractor. Such incidental work is presumed to be included in the all-inclusive hourly rate set forth in the Bid Worksheet, which the Contractor is required to attach to the proposal.

### 7.2 LIQUIDATED DAMAGES

In the event that work is not accomplished according to the proposal terms LAWA reserves the right to charge the Contractor for liquidated damages. Contractor shall be liable for any demonstrated costs that LAWA incurs as a result of failure to deliver material or parts as per the terms described in this proposal, unless, otherwise indicated.

Indicate if Liquidated Damages are part of this proposal:

No

### 7.3 CHANGE NOTIFICATION

If a change in the applicable laws, rules or regulations causes an increase in the scope of work or services to be performed by Contractor pursuant to an existing proposal and purchase order, then the parties hereto shall agree upon additional compensation, if any, to be paid to Contractor, therefore, and the proposal and purchase order shall be amended or revised, if authorized, in writing, by LAWA prior to the performance by Contractor of the increased work or service.

LAWA will work with Contractor and keep LAWA fully informed of all activities related to services, parts, and materials.

### 7.4 SUB-CONTRACTOR WARRANTY & SERVICES

Any third party parts or labor must be approved by LAWA and needs to be detailed in the scope of work section within this statement of work.

## 8. ACCEPTANCE CRITERIA

All material, parts, and or services, shall be inspected by LAWA to ensure that it meets

LAWA's requirements and standards. If LAWA finds that its requirements and standards have not been met, Contractor must correct the situation for no additional charge.

All work shall be inspected and approved by the supervisor of the LAWA Elevator Shop. All deficiencies shall be brought to the attention of the Contractor for correction. If deficiencies are not corrected by the next business day, a Contractor Discrepancy Report (CDR) will be issued. A CDR is formal written documentation of the Contractor's lack of performance or non-performance for contracted work. If two (2) CDRs are issued to the Contractor within any twelve (12) month period of the contract, LAWA reserves the right to terminate the contract within ten (10) days after the Contractor receives the second CDR.

### **8.1 INSPECTION**

The completed product or service shall be inspected by LAWA to ensure it meets LAWA's requirements and standards. If these requirements and standards are found by LAWA to be unsatisfactory, Contractor must do what is necessary to correct the situation without additional charge.

### **8.2 FINAL ACCEPTANCE**

The completed product and or service shall be deemed complete, upon written acceptance by a LAWA designated project manager assigned to help guide the Contractor throughout the process, as per the Proposal and or Contract agreement.

## **9. PAYMENT CONDITIONS**

### **9.1 COST EXPECTATIONS**

For all materials and repair services rendered under this Contract, all costs, direct or indirect, and all expenses incurred by Contractor pursuant to this proposal, City shall pay Contractor, in accordance with the agreed to lump sum payment schedule (either attached to this contract or through a LAWA-approved Task Order) or hourly rates set forth in the Bid Worksheet attached to the proposal on a time and material basis.

### **9.2 HOURLY RATES (when applicable)**

Hourly rates for Time and Material shall include, without limitation, all provisions for compensation, fringe benefits, overhead, insurance, materials, supplies, communications, general/non-extensive photocopying, non-extensive reproduction, courier service, local travel (within 100 miles of LAX), general administration, other overhead expenses, profits, fees, other direct cost(s) (ODC), and all out-of-pocket expenses.

### **9.3 PAYMENT EXPECTATIONS**

LAWA shall not be required to make payments for material deemed unsatisfactory or that fails to get delivered. LAWA shall make the final determination.

### **9.4 CORRECTION COSTS**

All costs due to the fault or negligence of the Contractor, including but not limited to

correcting work product or invoices, shall be borne by the Contractor; including and not limited to any lost or damaged LAWA property and or airport security badges.

### 9.5 INVOICE INSTRUCTIONS

Contractor shall submit a separate request for payment no more frequently than on a monthly basis for services and materials and parts provided during the billing period. Each request for payment shall contain a cumulative total of all billings, and shall identify the billing applicable to each part, material, and repair services. Within 60 days of: (i) the expiration of the Contract; or (ii) any early termination of the Contract, Contractor shall deliver to LAWA all unpaid invoices.

LAWA reserves the right to request the use of specific billing templates supplied by LAWA and any additional substantiation regarding any request for payment if LAWA considers such additional substantiation to be in the best interests of City. City will process each request for payment, following City's normal procedure, and LAWA's Invoice Instructions.

All payment requests submitted by Contractor for services (performed by Contractor, its sub-consultants or both) shall be certified by a duly authorized and knowledgeable officer of Contractor in a statement containing the following:

*"I certify, under penalty of perjury, under the laws of the State of California, that to the best of my knowledge and belief, the above bill/invoice is just, true and correct according to the terms of this proposal, and that payment therefore has not been received."*

Contractor shall perform a thorough Quality Assurance (QA)/Quality Control (QC) of each invoice, including all sub-consultant invoices, prior to submitting the same to LAWA. Administrative support costs for the preparation of invoices are not chargeable to LAWA. If an error discovered in the invoicing is brought to the Contractor's attention during the review cycle, the Contractor will have no more than five (5) business days to correct any issues or provide adequate level of support documentation in order to keep the invoice in process. Should the correction not be made in the time specified, the charges will be removed and short-paid. Should the charges be supported after the deadline, they may be resubmitted for consideration.

Contractor shall, for each invoice, submit all pertinent timesheets (when required by LAWA staff and applicable for Time and Material), Service Purchase Order Sheets (or Task Orders), for itself and summaries of costs. Contractor shall also maintain, in a form subject to audit, and in accordance with generally accepted accounting principles, backup documentation to support all entries in each submitted billing statement (including, but not limited to timesheets and detailed expense records). Such documentation shall be readily made available to the City, and to its duly authorized representative(s), upon request by the LAWA.

Contractor shall invoice the City for each completed Purchase Order referencing Purchase Order Number.

Invoices must include but not be limited to the following information:

MAINTENANCE, SERVICE, AND REPAIR OF THE ELEVATORS, ESCALATORS AND MOVING WALKWAYS  
EXHIBIT B-LAWA STATEMENT OF WORK

- Work/Task Order Number if applicable.
- Description of Work performed with exact location(s) including Facility Code Building Location if listed on the chart below (if required by LAWA staff).
- Total hours worked by each trade and applicable hourly wage rate bid.
- Itemized costs of all materials and other allowable expenses showing cost to contractor and cost with mark-up applied, as applicable for Time and Material.
- Total of all lump sum not-to-exceed proposed costs.
- Copies of material invoices for the Contractor's suppliers for all materials, suppliers used.
- Landfills receipts, if applicable. Reimbursement for landfill fees shall be at the Contractor's cost plus 10%.

**9.6 DELIVERY COSTS, STORAGE, & HANDLING**

Drivers must check in at the FMUG (FTSD) Reception Desk located at

*7411 World Way West, Los Angeles, CA 90045*

Or

*7407 World Way West (M1 Building), Los Angeles, CA 90045*

Drivers must provide LAWA with all necessary paperwork for delivered materials including vehicles and or equipment.

Contractor owns and is responsible for goods in transit and agrees to file any claim with shipper/manufacturer for any loss or damage.

**10. CONTACT INFORMATION**

After the contract is executed, questions from the contractor should be forwarded to [FMUGCONTRACTS@LAWA.ORG](mailto:FMUGCONTRACTS@LAWA.ORG).

# EXHIBIT C



Los Angeles  
World Airports

**RISK MANAGEMENT DIVISION  
INSURANCE REQUIREMENTS**

NAME/TITLE: KONE CORPORATION  
 AGREEMENT/ACTIVITY: Contract / Provide Maintenance, Parts and Repair Services for Elevators, Escalators, and Moving Walks at LAX and VNY  
 LAWA DIVISION: FMUG – Administration  
 WIZARD ID NO.: 9267

The insured must maintain insurance coverage at limits normally required of its type operation; however, the following coverage noted with an "X" is the minimum required and must be at least the level of the limits indicated. All policies must be occurrence based with the **minimum** required per occurrence limits indicated below.

	<b>LIMITS</b>
<input checked="" type="checkbox"/> Workers' Compensation (Statutory)/Employer's Liability with <input checked="" type="checkbox"/> Waiver of Subrogation (Please see attached supplement) <input type="checkbox"/> Hold Harmless Agreement (Owner/Operator Business) <input type="checkbox"/> Voluntary Compensation Endorsement	<b><u>Statutory</u></b>
<input checked="" type="checkbox"/> Commercial Automobile Liability - covering owned, non-owned & hired auto	<b><u>\$10,000,000</u></b>
<input checked="" type="checkbox"/> Aviation/Airport or Commercial General Liability, including the following coverage <input checked="" type="checkbox"/> Premises and Operations <input checked="" type="checkbox"/> Contractual (Blanket/Schedule) <input checked="" type="checkbox"/> Independent Contractors <input checked="" type="checkbox"/> Personal Injury <input checked="" type="checkbox"/> Additional Insured Endorsement (Please see attached supplement) <input checked="" type="checkbox"/> Products /Completed Operations (Please see attached supplement) <input type="checkbox"/> Hangarkeepers Legal Liab.	<b><u>\$10,000,000CLS</u></b>

**CONTRACTOR SHALL BE HELD RESPONSIBLE FOR OWN OR HIRED EQUIPMENT AND SHALL HOLD AIRPORT HARMLESS FROM LOSS, DAMAGE OR DESTRUCTION TO SUCH EQUIPMENT.**

**INSURANCE COMPANIES WHICH DO NOT HAVE AN AMBEST RATING OF A- OR BETTER, AND HAVE A MINIMUM FINANCIAL SIZE OF AT LEAST 4, MUST BE REVIEWED FOR ACCEPTABILITY BY RISK MANAGEMENT.**

**PLEASE RETURN THIS FORM WITH EVIDENCE OF INSURANCE**

**INSURANCE REQUIREMENTS FOR LOS ANGELES WORLD AIRPORTS (SUPPLEMENT)**

The only evidence of insurance accepted will be either a Certificate of Insurance, or a True and Certified copy of the policy. The following items must accompany the form of evidence provided:

**Endorsements:**

- **General Liability Additional Insured Endorsement  
ISO Standard Endorsements preferred**
- **Ongoing and products-completed operations**
- **Workers Compensation Waiver of Subrogation Endorsement  
(WC 04 03 06 or similar)**

**Certificate Holder:**

**Los Angeles World Airports**

**PO Box 92216**

**Los Angeles, CA 90009**

A typed legible name of the Authorized Representative must accompany the signature on the Certificate of Insurance and/or the True and Certified copy of the policy.

A blanket/automatic endorsement is not acceptable unless you have a direct contract with LAWA.

Language written on a certificate of insurance is not acceptable as an endorsement.

# EXHIBIT D

**LOS ANGELES WORLD AIRPORTS  
CONTRACTOR RESPONSIBILITY PROGRAM  
PLEDGE OF COMPLIANCE**

The Los Angeles World Airports (LAWA) Contractor Responsibility Program (Board Resolution #21601) provides that, unless specifically exempted, LAWA contractors working under contracts for services, for purchases, for construction, and for leases, that require the Board of Airport Commissioners' approval shall comply with all applicable provisions of the LAWA Contractor Responsibility Program. Bidders and proposers are required to complete and submit this Pledge of Compliance with the bid or proposal or with an amendment of a contract subject to the CRP. In addition, within 10 days of execution of any subcontract, the contractor shall submit to LAWA this Pledge of Compliance from each subcontractor who has been listed as performing work on the contract.

The contractor agrees to comply with the Contractor Responsibility Program and the following provisions:

- (a) To comply with all applicable Federal, state, and local laws in the performance of the contract, including but not limited to, laws regarding health and safety, labor and employment, wage and hours, and licensing laws which affect employees.
- (b) To notify LAWA within thirty (30) calendar days after receiving notification that any government agency has initiated an investigation that may result in a finding that the contractor is not in compliance with paragraph (a).
- (c) To notify LAWA within thirty (30) calendar days of all findings by a government agency or court of competent jurisdiction that the contractor has violated paragraph (a).
- (d) To provide LAWA within thirty (30) calendar days updated responses to the CRP Questionnaire if any change occurs which would change any response contained within the completed CRP Questionnaire. Note: This provision does not apply to amendments of contracts not subject to the CRP and to subcontractors not required to submit a CRP Questionnaire.
- (e) To ensure that subcontractors working on the LAWA contract shall complete and sign a Pledge of Compliance attesting under penalty of perjury to compliance with paragraphs (a) through (c) herein. To submit to LAWA the completed Pledges.
- (f) To notify LAWA within thirty (30) days of becoming aware of an investigation, violation or finding of any applicable federal, state, or local law involving the subcontractors in the performance of a LAWA contract.
- (g) To cooperate fully with LAWA during an investigation and to respond to request(s) for information within ten (10) working days from the date of the Notice to Respond.

Failure to sign and submit this form to LAWA with the bid/proposal may make the bid/proposal non-responsive.

**KONE Inc., 1821 Tyburn St., Glendale, CA 92104-2922**

Company Name, Address and Phone Number

*Kal Hassanieh*

*12/16/2019*

Signature of Officer or Authorized Representative

Date

**Kal Hassanieh, General Manager**

Print Name and Title of Officer or Authorized Representative