



**THE PORT
OF LOS ANGELES**

Executive Director's
Report to the
Board of Harbor Commissioners

DATE: MARCH 16, 2026

FROM: CONSTRUCTION AND MAINTENANCE

**SUBJECT: RESOLUTION NO. _____ - AWARD OF CONTRACT TO
KONE, INC. FOR ELEVATOR AND ESCALATOR MAINTENANCE,
REPAIR, AND MODERNIZATION**

SUMMARY:

Staff requests approval of a Contract with KONE, Inc. (KONE) of Cypress, California for elevator and escalator maintenance, repair, and modernization. The proposed Contract would be for a three-year term and would utilize an existing national cooperative contract for such services between Kansas City, Missouri, and KONE, pursuant to Omnia Partners (formerly U.S. Communities Government Purchasing Alliance). The amount of the proposed Contract shall not exceed \$2,000,000 annually, or \$6,000,000 for the duration of the three-year Contract. The City of Los Angeles Harbor Department (Harbor Department) will be financially responsible for the payment of costs incurred under the proposed Contract.

RECOMMENDATION:

Staff recommends that the Board of Harbor Commissioners (Board):

1. Find that the Director of Environmental Management has determined that the proposed action is administratively and categorically exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) and Article III Class 1(1) of the Los Angeles City CEQA Guidelines;
2. Find that in accordance with City of Los Angeles Administrative Code Division 10, Chapter 1, Article 2, Section 10.15 (a) (8), the Harbor Department may enter into Bid No. F-1272 with KONE utilizing a current agreement for such services with Kansas City, Missouri, General Services Department Contract No. EV2516 pursuant to Omnia Partners cooperative arrangement;
3. Find that in accordance with Los Angeles City Charter Section 1022, work under the subject agreement can be performed more feasibly by an independent contractor than by City employees;
4. Approve Contract with KONE in the amount of \$2,000,000 for elevator and escalator maintenance, repair, and modernization for a period of three years in the same amount annually for a total compensation amount not to exceed \$6,000,000;

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5. Authorize the Executive Director to execute and the Board Secretary to attest to said Contract for and on behalf of the Board; and
6. Adopt Resolution No. _____.

DISCUSSION:

Background/Context – The Harbor Department’s Construction & Maintenance Division (C&M) is responsible for ensuring that all elevators and escalators at Harbor Department’s facilities function safely and reliably for tenants, guests, and employees. The Harbor Department has a total of 20 elevators at various locations and these units need to be modernized as the equipment is reaching the end of its lifecycle and is experiencing frequent failures and repairs which impact people movement and customer visitations at these facilities. The elevators located at the Los Angeles World Cruise Center (Cruise Center) have been in service for more than 25 years and have well exceeded their expected service life of about 20 years. Despite continuous maintenance, aging elevator core components and equipment continue to deteriorate. The existing equipment is obsolete as the vital components are no longer available for purchase when they have failed. The elevators and escalators at the Cruise Center are heavily utilized throughout the year. On average, up to 4,500 passengers use the elevators and escalators daily while embarking and disembarking cruise ships. Both the elevators and escalators are also used by Customs and Border Patrol personnel. The proposed Contract with KONE would develop modernization solutions for upgrading or replacing existing equipment with new solutions that meet or exceed the latest safety standards, improving equipment reliability, and user safety. Furthermore, KONE would maintain the safety of elevators and escalators using preventative maintenance methods.

Modernization of the seven escalators at the Cruise Center involves installing new components into older equipment to upgrade the system and extend its lifespan without disrupting the normal function of a building. The new generation escalator systems with advanced technology features will add to the performance of the units and to the safety of the escalator operations by meeting the latest safety standards. The modernization of the escalators will result in smoother and more reliable operations at the Cruise Center by enhancing passenger flow and will help support the cruise business in the future. The escalators have been maintained and inspected per Los Angeles Department of Building and Safety (LADBS) regulations and American Society of Mechanical Engineers (ASME) A17 guidelines. The existing escalators are listed under the California Code of Regulations as ‘Group 2’ equipment. The current safety code ‘Group 4’ is two generations ahead and provides more safety measures on the escalators than the equipment presently being used at the cruise center. The escalators need to be brought up to date to adhere to the current codes and regulations. The escalator

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modernization work will comply with the latest LADBS and ASME A17.1 code of regulations.

Maintenance of the 20 elevators and lift mechanisms entails periodic regulatory inspections with repairs as needed. All elevators also undergo annual inspections by the LADBS and require certification, such as incorporating the latest LADBS and ASME A17.1 code of regulations, to remain in operation. Either as a result of LADBS or Harbor Department determinations, elevators may require major upgrades or replacement to ensure safety, improve performance, and reduce maintenance costs. The proposed Contract with KONE would modernize the 20 elevators by replacing the elevator systems with new technology and parts through smart replacement, which reduces installation time, lowers environmental impact, and minimizes disturbances to the buildings and its users. All wiring and worn mechanical equipment would be replaced, and a fire detection system would be installed. Also, KONE would utilize Artificial Intelligence-based analytics that monitor elevator data to evaluate equipment health and status and ensure predictive and preventative maintenance. Elevator system replacement would be a turn-key project, using non-proprietary equipment to enable C&M access to all available parts and resources needed for on-going maintenance and repairs, which can extend the elevators' lifespan. In addition, these elevators would need to be modernized to ensure they do not disrupt the flow of people, freight, or the connection to fire safety and life safety measures.

The following are the locations and respective units that need to be maintained or modernized:

- 425 S. Palos Verdes Street – 3 elevators;
- 2500 Signal Street – 2 elevators;
- 330 S. Centre – 2 elevators;
- 500 Pier A Street – 1 elevator;
- Berth 161 – 1 elevator;
- 514 Pier A Street – 1 elevator;
- 300 Water Street – 1 elevator;
- Berth 93 – 7 elevators, 5 escalators;
- Banning's Landing – 1 elevator; and
- Berths 91-92 – 1 elevator, 2 escalators.

KONE is one of the leading elevator and escalator manufacturers in the world, operating in 70 countries for over a century. The benefit of contracting with KONE for these projects include the standardization of equipment and parts inventory. Additionally, by entering into a contract with KONE for three years, C&M will have ready access to this contractor for potential future modernization or replacement projects should the need arise.

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Selection Process – The City of Los Angeles Charter Article III, Section 371(e)(8) and Los Angeles Administrative Code Division 10, Chapter 1, Article 2, Section 10.15 (a)(8) allow for “contracts for cooperative arrangement with other governmental agencies for the utilization of the purchasing contracts and professional, scientific, expert or technical services contracts of those agencies and any implementing agreements, even though the contracts and implementing agreements were not entered into through a competitive bid process.”

Therefore, in accordance with the City of Los Angeles Charter and Administrative Code, C&M proposes to enter into Contract with KONE (Transmittal 1) by utilizing Kansas City, Missouri, General Services Department Contract No. EV2516, a national cooperative arrangement with KONE (Transmittal 2).

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of the Contract with KONE for elevator and escalator maintenance, repair, and modernization, which is an administrative activity involving interior or exterior alterations involving remodeling or minor construction where there be negligible or no expansion of use. Therefore, the Director of Environmental Management has determined that the proposed action is administratively and categorically exempt from the requirements of CEQA in accordance with Article II Section 2(f) and Article III Class 1(1) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval of the proposed Contract would authorize expenditures of up to \$2,000,000 per year or a total not-to-exceed amount of \$6,000,000 over three years for the maintenance, repair, and modernization of escalators and elevators. Fiscal Year 2025/2026 funding in the amount of \$2,000,000 has been budgeted as follows: \$50,000 within Account 541000 (Buildings Maintenance Services), Division 32130 (Building Operating Engineers); \$150,000 within Account 551000 (Parts and Materials), Division 32130 (Building Operating Engineers); and \$1,800,000 within Account 161305 (Construction-in-Progress), Division 00000 (Harbor Global).

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Spending under the proposed Contract is anticipated to occur as follows:

Fiscal Year	Account 541000 Buildings Maintenance Services	Account 551000 Parts and Materials	Account 161305 Construction-in- Progress	Total Amount
2025/2026	\$50,000	\$150,000	\$1,800,000	\$2,000,000
2026/2027	\$50,000	\$150,000	\$1,800,000	\$2,000,000
2027/2028	\$50,000	\$150,000	\$1,800,000	\$2,000,000
Total Cost	\$150,000	\$450,000	\$ 5,400,000	\$6,000,000

Funding for future fiscal years will be requested as part of the annual budget process upon Board approval. A funding out clause is included in the proposed Contract. If any subsequent fiscal year funds are not appropriated by the Board for the work required by the Contract, the Contract shall be terminated. However, such termination shall not relieve the parties of liability for any obligations previously incurred.

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CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved this Contract as to form and legality.

TRANSMITTALS:

1. Bid No. F-1272
2. Kansas City, Missouri, General Services Department Contract No. EV2516

FIS Approval: JS

CA Approval: SO



TIM CLARK
Director of Port Construction & Maintenance



DINA ARYAN-ZAHLAN, P.E.
Deputy Executive Director
Development

APPROVED:

Erica M. Calhoun for

EUGENE D. SEROKA
Executive Director

Author: M. Chung / M. Cho