

DATE: DECEMBER 12, 2023

FROM: CONSTRUCTION AND MAINTENANCE

SUBJECT: RESOLUTION NO. _____ - AWARD OF CONTRACT NO. 40001 TO KONE INC. FOR KONE ECOMOD ESCALATOR MODERNIZATION AT BERTH 93

SUMMARY:

Staff requests approval of Contract No. 40001 (Contract) with KONE Inc. (KONE), a Delaware corporation, for modernization of five (5) escalators located at Berth 93, Los Angeles World Cruise Center. The proposed Contract 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) cooperative arrangement. The amount of this Contract shall not exceed \$2,800,000. 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) and Class 2 (3) 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 a cooperative purchase agreement with KONE Inc. utilizing KONE's 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 Contract can be performed more feasibly by independent contractors than by City employees;
4. Approve Contract No. 40001 with KONE for escalator modernization at Berth 93, Los Angeles World Cruise Center, in the amount of \$2,800,000;

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5. Authorize the Executive Director to execute and the Board Secretary to attest to Contract No. 40001 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 escalators at the Harbor Department’s facilities function safely and reliably for tenants, guests, and employees. The five (5) KONE E-5000 passenger escalators (Equipment No: 130079, 130080, 130081, 130082 and 130083), located at the Los Angeles World Cruise Center at Berth 93, need to be modernized due to the equipment reaching the end of the lifecycle and experiencing frequent failures and repairs which impact people movement and customer visitations at the facilities. These escalators have been in service for 25 years and have well exceeded their expected service life of about 20 years. Despite continuous maintenance, aging escalator 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 escalators are highly used throughout the year. On average, up to 4,500 passengers use the escalators daily while embarking and disembarking cruise ships. The escalators are also used by Customs and Border Patrol personnel. Currently, escalator 3 is permanently out of service due to a failed gearbox which cannot be replaced or repaired. C&M has concerns over experiencing additional failures on the other escalators gearboxes which will permanently place the units out of service.

Modernization for escalators is the process of 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 of the cruise center activities 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 in 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 shall comply with the latest LADBS and ASME A17.1 code of regulations.

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.”

C&M proposes to enter into Contract No. 40001 with KONE (Transmittal 1) by utilizing Kansas City, Missouri, General Services Department Contract No. EV2516, a national cooperative arrangement with KONE (Transmittal 2) per the City of Los Angeles Administrative Code Division 10, Chapter 1, Article 2, Section 10.15 (a) (8).

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of Contract No. 40001 with KONE for the modernization of 5 escalators at the Berth 93 Los Angeles World Cruise Center, which is an administrative activity to continue administrative and maintenance-related activities, the remodeling of an existing public facility, and the replacement of existing facilities involving no expansion of capacity. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of CEQA in accordance with Article II Section 2 (f) and Article III Class 1 (1) and Class 2 (3) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval of the proposed Contract would authorize expenditures of up to \$2,800,000 with KONE to modernize and renovate five (5) escalators located at Berth 93, Los Angeles World Cruise Center. Funding in the amount of \$1,869,425 has been approved in the Fiscal Year 2023-2024 Capital Improvement Program annual budget, within the Deferred Maintenance Project Center No. 1029, Base Program No. 000 within the following accounts:

Fiscal Year (FY)	Account 55010 Maintenance Supplies - Parts & Materials	Account 54030 Maintenance Services - Equipment	Total Amount
2023/2024	\$1,084,200	\$785,225	\$1,869,425
2024/2025	\$507,794	\$422,781	\$930,575
Total Cost	\$1,591,994	\$1,208,006	\$2,800,000

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Funding for future fiscal years will be requested to be budgeted as part of the annual budget adoption process, subject to Board approval.

CITY ATTORNEY:

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

TRANSMITTALS:

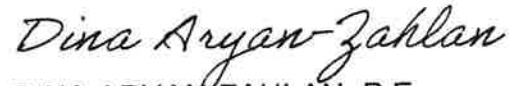
1. Contract No. 40001, Formal Bid No. F-1159, 3
2. Kansas City, Missouri, General Services Department Contract No. EV2516

FIS Approval: MB

CA Approval: SO



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APPROVED:

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