



**THE PORT  
OF LOS ANGELES**

Executive Director's  
Report to the  
Board of Harbor Commissioners

**DATE: JULY 27, 2011**

**FROM: CONSTRUCTION AND MAINTENANCE DIVISION**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - AWARD OF CONTRACT NO. 39583 TO KONE, INC. FOR MODERNIZING ELEVATOR NO. 4 AT WAREHOUSE 1**

**SUMMARY:**

The Construction and Maintenance Division (C&M) requests approval of Contract No. 39583 with KONE, Inc. of Cerritos, CA for the modernization of Elevator No. 4 at Warehouse 1 in the amount of \$193,900, including sales tax. The existing freight elevator was last upgraded in 1990 and is no longer reliable. This project is part of the deferred maintenance program planned and funded in the Fiscal Year 2011-12 capital budget.

**RECOMMENDATION:**

It is recommended that the Board of Harbor Commissioners (Board):

1. 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;
2. Approve Contract No. 39583 with KONE, Inc. in the amount of \$193,900 and authorize said expenditures;
3. Authorize the Executive Director to execute and Board Secretary to attest to Contract No. 39583; and
4. Adopt Resolution No. \_\_\_\_\_.

**DISCUSSION:**

Background – In the last twelve months, C&M has completed a host of capital infrastructure projects that were deferred over the years due to staffing or funding restrictions. Funding in the capital budget was set aside to address key projects including: re-roofing Liberty Hill Plaza, the Harbor Administration Building, Berth 154-155, and the Berth 225 Canopy and Reefer Wash; repairing or replacing nearly 100 backflows throughout the Port of Los Angeles; updated fire life-safety alarm and sprinkler systems at Berths 177-181 and Berth 93; and new Heating, Ventilation, and Air

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Conditioning units or systems at the Pilot Station, 239 North Avalon, and other buildings. Action on other key infrastructure projects continues today.

Elevator Modernization – Among the many deferred maintenance projects scheduled for Fiscal Year 2011-12 is the modernization of the traction elevator at Warehouse 1. Elevator No. 4 was installed in 1990, but its equipment is now obsolete and this is preventing full, reliable operation of the elevator. The Harbor Department could face safety or health violations if the current systems and equipment are left in place, and that could prevent the use of the Warehouse 1 elevator until major corrections are made. This contract will address the problems before those actions can occur and C&M will be able to maintain the new infrastructure.

The wiring in the elevator system is worn out and rusted due to age and corrosion. The door motors, door locks, and switches are also worn out from heavy use and abuse throughout the years, which compromises the safety of the equipment. The current system is outdated and does not incorporate several of the current safety guidelines and features for modern elevators such as fire service and rope safety devices. The contractor will install an entirely new elevator system to meet all current City and State regulations. It will be a turn-key project, using non-proprietary equipment to enable C&M access to all available parts and resources needed for any future repairs. All wiring and worn mechanical equipment will be replaced and a fire detection system will be installed.

Selection Process – C&M submitted purchase requisitions with specifications for this project. The Contracts and Purchasing Division released a Request for Bids (RFB) in March 2011. Two bids were received for the project. Staff is recommending approval by the Board of Harbor Commissioners (Board) of a contract with KONE, Inc., the lowest, responsive bidder for the project described above.

#### **ENVIRONMENTAL ASSESSMENT:**

The proposed action is approval of Contract No. 39583 with KONE, Inc. for elevator modernization at Warehouse 1. As an administrative activity and maintenance of a mechanical system serving an existing facility, the Director of Environmental Management has determined that the proposed action is exempt from the California Environmental Quality Act (CEQA) under Article II, Section 2 (f) and Article III Class 1(2) of the Los Angeles City CEQA Guidelines.

#### **ECONOMIC BENEFITS:**

Spending under this contract will support approximately 1 direct and 1 secondary one-year equivalent jobs in the five county region.

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**FINANCIAL IMPACT:**

This deferred maintenance capital project will cost the Harbor Department a total of \$193,900 to be incurred in FY 2011-12. Due to the age and unreliability of the existing infrastructure, there is no feasible alternative to replacing the obsolete and non-functioning equipment.

C&M spends approximately \$7,500 per year in parts and labor on Elevator No. 4. Maintenance costs associated with the new elevator system at Warehouse 1 are estimated to be \$2,500 per year, including labor costs, materials, permits and testing, and will be performed by C&M staff. This is a savings of \$5,000 per year.

Funding in the amount of \$193,900 has been budgeted in the Fiscal Year 2011-12 Capital Budget Account No. 54010, Center No. 1002, and Program No. 000 for the Warehouse 1 elevator modernization project.



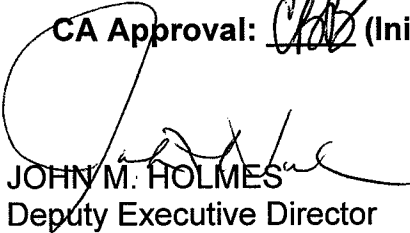
**CITY ATTORNEY:**


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

**TRANSMITTALS:**

1. Recap of Bid No. F-740
2. Contract No. 39583

  
JIM MORGAN  
Director of Port Construction and Maintenance

FIS Approval:  (Initials)  
CA Approval:  (Initials)  
  
JOHN M. HOLMES  
Deputy Executive Director

APPROVED:  
  
GERALDINE KNATZ, Ph.D.  
Executive Director

Author: D. Young

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File No. MGT-3-3  
HAR-9-1