



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: SEPTEMBER 5, 2023

FROM: GENERAL SERVICES DEPARTMENT WARDS: ALL

SUBJECT: FIRST AMENDMENT TO SERVICES AGREEMENT WITH OTIS ELEVATOR COMPANY FOR ANNUAL MAINTENANCE OF CITY OF RIVERSIDE ELEVATORS AT VARIOUS LOCATIONS IN THE AMOUNT OF \$344,197.98 FOR A FIVE-YEAR TERM ENDING JUNE 30, 2028.

ISSUE:

Approve the first amendment to Services Agreement with Otis Elevator Company of Anaheim, California for annual maintenance of City of Riverside elevators at various locations in the amount of \$344,197.98 for a five-year term ending June 30, 2028.

RECOMMENDATIONS:

That the City Council:

1. Approve the First Amendment to Services Agreement with Otis Elevator Company of Anaheim, California for annual maintenance of City of Riverside elevators at various locations in the amount of \$344,197.98 for a five-year term ending June 30, 2028; and
2. Authorize the City Manager, or his designee, to execute the First Amendment to the Services Agreement with Otis Elevator Company of Anaheim, California including making minor and non-substantive changes.

BACKGROUND:

The General Services Department is responsible for maintenance of the City of Riverside (City) elevators. For over fifteen years, Otis Elevator Company (Otis) has performed outstanding elevator installation, maintenance and repair services for the City. Otis has the skill, specialized knowledge, tools, and equipment to maintain and repair the City's elevators, with adequate staffing to respond to calls in a timely manner. Otis possesses the specialty training and tools to maintain and troubleshoot equipment no longer manufactured, as well as equipment manufactured by other elevator companies.

On August 28, 2018, City Council approved the Services Agreement with Otis Elevator Company from Anaheim, California for annual maintenance of City of Riverside elevators at various locations for the period of July 1, 2018 through June 30, 2023.

DISCUSSION:

The City desires to extend the current agreement with Otis for preventative elevator maintenance and repair services for five additional years. Staff has determined Otis, with their staffing and resources, to be qualified and responsive, and request continuance of their services for the maintenance and repair of the elevators at seven City facilities at the locations listed below:

- 3743 Orange Street Parking - 3743 Orange Street
- Magnolia Police Station - 10540 Magnolia Avenue
- Orange Square - 3901 Orange Avenue
- 3851 Orange Street Parking - 3851 Orange Street
- Riverside City Hall - 3900 Main Street
- Fox Theater Parking - 3501 Market Street
- Riverside Municipal Airport - 6951 Flight Road

On April 13, 2023, Otis Elevator Company agreed to extend the current terms and conditions of the existing contract for an additional five-year term ending June 30, 2028, and since the City of Riverside is a member of Omnia Partners, Otis Elevator Company is able to provide the best overall government pricing in accordance with Cooperative Agreement Number 2019001563.

The following table depicts costs of the Agreement under the amended terms:

FIRST AMENDMENT (ANNUAL COST FOR 7 FACILITIES)	
FY 2023/24	\$62,291.16
FY 2024/25*	\$65,405.72
FY 2025/26*	\$68,676.00
FY 2026/27*	\$72,109.80
FY 2027/28*	\$75,715.30
TOTAL AMOUNT	\$344,197.98

*To account for possible cost inflation for FY 2024/25 through FY 2027/28, this amount is an estimate based on the condition that the total cost of that term does not exceed 5% of the total of the previous term.

The utilization of the Omnia contract is in accordance with Purchasing Resolution No. 23914, Section 702(f) which states that, "Competitive Procurement through the Informal Procurement and Formal Procurement process shall not be required in any of the following circumstances: ...(f) When Cooperative Purchasing is available and undertaken or when services can be obtained through Federal, State and/or other public entity pricing contracts or price agreements".

The Purchasing Manager concurs that the recommendation is in compliance with Purchasing Resolution No. 23914.

STRATEGIC PLAN ALIGNMENT:

This project contributes to the City's Strategic Priority No. 6 – Infrastructure, Mobility, and Connectivity and Goal No. 6.2 – maintain, protect and improve assets and infrastructure within the City's built environment to ensure and enhance reliability, resiliency, sustainability, and facilitate connectivity.

The project aligns with each of the five Cross-Cutting Threads of the City's Strategic Plan as

described below:

1. **Community Trust** – Obtaining an annual services agreement with Otis Elevator Company is in the community's best interest by ensuring that city owned elevators will be properly maintained by a reputable vendor.
2. **Equity** – Ensuring the City facility elevators are safe is essential in providing equitable services to the City staff and the community who utilize the elevators to access City facilities.
3. **Fiscal Responsibility** – To ensure the best costs and contract terms, this project was negotiated exercising existing Purchasing policies from the current Purchasing Resolution 23914.
4. **Innovation** – Maintaining the City owned elevators on a regular basis will guarantee the elevators are operating safely and will reduce repair costs in the future by replacing and repairing worn out parts before it becomes a major financial expense.
5. **Sustainability & Resiliency** – Regularly maintaining existing City owned elevators at various locations prolongs the useful service life of the equipment and ensures the City operates safe and reliable elevators that are utilized by City staff as well as members of the community.

FISCAL IMPACT:

The total fiscal impact of the action is \$344,197.98 over the five-year term of the amendment or \$62,291.16 for FY 2023/24. Funds for FY 2023/24 are budgeted and available as listed in the table below. Appropriations for future fiscal years will be included in the Department's Budget submissions for those fiscal years to be presented to the City Council for approval.

Fund	Program	Account	Amount
General Fund	Building Services – Professional Services	2210000-421000	\$28,029.48
	Building Maintenance - Repair of Buildings	2210000-424130	\$3,470.64
Airport	Airport Maintenance - Repair of Buildings	2245000-424130	\$3,899.88
Parking	Parking Maintenance - Repair of Buildings	4150000-424130	\$26,891.16
Total			\$62,291.16

Prepared by:	Carl Carey, General Services Director
Certified as to availability of funds:	Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by:	Edward Enriquez, Assistant City Manager/Chief Financial Officer/Treasurer
Approved as to form:	Phaedra A. Norton, City Attorney

Attachments:

1. First Amendment - Services Agreement
2. Omnia Contract 2019001563