

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: SCOTT WAGNER, CHIEF FINANCIAL OFFICER
SUBJECT: APPROVAL – THIRD AMENDMENT TO BLANKET PURCHASE
ORDER 166038 TO EXTEND THE TERM THREE YEARS AND
ADD COMPENSATION FOR ELEVATOR AND WHEELCHAIR
LIFT MAINTENANCE, INSPECTION, AND REPAIR SERVICE

AGENDA ACTION: MOTION

RECOMMENDATION

The Finance Department recommends that the Council, by motion, approve the Third Amendment to Blanket Purchase Order No. 166038 with KONE Inc., Moline, Illinois, to extend the term by three years and add compensation in the amount of \$160,000, for a total cumulative amount not to exceed \$421,000, and authorize the Purchasing Agent to execute the amendment. This item has no impact on the current fiscal year budget.

EXECUTIVE SUMMARY

The City of Santa Rosa has elevators and wheelchair lifts at various facilities that require ongoing maintenance, inspection, and repair services. Blanket Purchase Order (BPO) No. 166038 expires on September 30, 2026. The proposed amendment would add compensation and extend the term of the BPO through September 30, 2029.

GOAL

This item relates to Council Goal No. 2 – Invest in the Development and Maintenance of the City's Infrastructure and supports the ongoing maintenance, repair, and required inspections of elevators and wheelchair lifts in accordance with manufacturer specifications.

BACKGROUND/PRIOR COUNCIL REVIEW

On January 24, 2022, the City Manager approved use of Omnia Partners Cooperative Agreement No. 0019.001564 and awarded BPO No. 166038 to KONE Inc. for elevator and wheelchair lift maintenance, inspection, and repair services, in an amount not to exceed \$99,000.

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On July 11, 2023, the City Council approved the First Amendment to BPO No. 166038, adding compensation in the amount of \$75,000.

On July 30, 2024, the City Manager approved the Second Amendment to BPO No. 166038, extending the term by two years and adding compensation in the amount of \$87,000.

ANALYSIS

- Omnia Partners Cooperative Agreement Number 0019.001564 has been extended to 2029.
- KONE Inc. proposed a three-year extension with an average unit-cost increase of 68.4%. Elevator maintenance rates would increase by an average of 30.5%, while wheelchair lift maintenance rates would increase by an average of 106.3%.
- KONE Inc. attributes the increases primarily to existing rates that are significantly below current market levels and to correction of a prior pricing error. In 2022, the wheelchair lift maintenance rate was quoted as a monthly charge but applied as a quarterly charge. The proposed pricing corrects the billing frequency and aligns the rates with current market conditions.
- The adjusted pricing also reflects current prevailing-wage labor rates, material costs, and regulatory inspection requirements necessary to maintain safe and reliable elevator and wheelchair lift service at City facilities.
- Approval is recommended to maintain continuity with the City's existing provider, avoid a lapse in required maintenance, inspection, and repair services, and secure pricing through the proposed three-year extension.

FISCAL IMPACT

Approval of this action will increase the total authorized amount of BPO No. 166038 by \$160,000, for a cumulative amount not to exceed \$421,000. Funding for services under the amended BPO will be paid from department budgets approved in the applicable fiscal years. No additional appropriation is required for the current fiscal year.

ENVIRONMENTAL IMPACT

Pursuant to CEQA Guidelines section 15378, the recommended action is not a "project" subject to the California Environmental Quality Act because it does not have the potential to result in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment.

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BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Attachment 1 – Extension Proposal

PRESENTER

Scott Wagner, Chief Financial Officer