



## Request for City Council Committee Action From the Department of Finance and Property Services

**Date:** October 15, 2012

**To:** Honorable Betsy Hodges, Chair Ways & Means Committee

**Subject:** **Contract Amendment - Kone, Inc.**

**Recommendation:**

That the proper City officers be authorized to execute a Contract Amendment to Contract # C-26956 with KONE, Inc., for elevator and escalator maintenance and repair. The total amount of the amendment is \$40,000.00. Therefore, the current contract amount of \$180,000.00 would be increased for a revised contract amount of \$220,000.00. The 2012 Operating Budgets for those departments utilizing the contract have adequate funds to cover the increase, therefore no additional appropriation is required.

**Previous Directives:**

- May 22, 2009: Council approves Kone, Inc. low bid of \$45,000 for elevator and escalator maintenance.

**Prepared by:** Greg Goeke, Director, Property Services, 673-2706

**Approved by:**

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Kevin Carpenter, Chief Financial Officer, Finance and Property Services Dept.

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Paul Aasen, City Coordinator

**Presenters:** Greg Goeke, Director, Property Services

**Reviews**

Permanent Review Committee (PRC): Approval \_NA Date \_\_\_\_\_

Civil Rights Approval Approval \_NA Date \_\_\_\_\_

Policy Review Group (PRG): Approval \_NA Date \_\_\_\_\_

**Financial Impact**

No financial impact: Additional costs will be paid for utilizing existing 2012 Operating Budgets.

## **Community Impact**

Neighborhood Notification:  
City Goals: A Safe Place to Call Home  
Comprehensive Plan:  
Zoning Code:

## **Background/Supporting Information**

Kone, Inc. contracts with the City of Minneapolis to provide elevator and escalator maintenance for several buildings owned by the City. Council approved Kone Inc.'s low bid of \$45,000.00 in 2009, and the contract has been amended annually at that same rate. The funding of this contract (\$45,000.00) was not adequate in 2012, due to Elevator Code requirements which dictated a number of small changes be made within City facilities. Also, the Park Board and Community Planning and Economic Development (CPED) Departments used this contract in 2012, for work which was not included in the original scope.

Therefore, staff is requesting that the current contract with Kone, Inc. be increased by a total of \$40,000.00 for a revised contract amount of \$220,000.00 to provide for the contract amendment. The 2012 Operating Budget for each department is adequate for the contract Amendment; therefore no additional appropriation is required.

Cc: Gary Warnberg  
Vern Hyvare