

SUMMARY OF REQUEST

DATE: February 23, 2022

FACILITY: System Wide

PROGRAM/PRODUCT LINE: Facilities Departments

REQUEST: Enter into a 5-year contract with Kone, Inc. in the amount of \$3,169,153 for the inspection, maintenance, and repair of the District's elevator systems.

PURPOSE: Maintain elevator system operability, life safety standards, and compliance with regulatory agencies through ongoing preventative maintenance, testing, inspection, repairs, service calls, documentation, and modernization.

CAPITAL REQUIRED: N/A

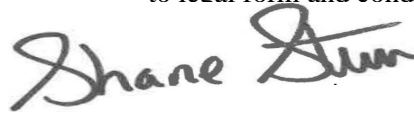
FINAL FMV REPORT N/A

FISCAL IMPACT: FY 22 - \$195,073
FY 23 - \$602,777
FY 24 - \$620,860
FY 25 - \$639,486
FY 26 - \$658,670
FY 27 - \$452,287

BUDGET STATUS: Request is budgeted in Operating budget for FY 22

PRACTICIONER CV¹: N/A

LEGAL REVIEW: The contract is subject to General Counsel's review and approval as to legal form and conditioned on no material changes in the approved



APPROVED: Shane Strum 02/07/2022 06:53 EST DATE: _____
Shane Strum, President/CEO

¹ This applies to physician contracts

MEMORANDUM

TO: Board of Commissioners

FROM: Shane Strum, President/Chief Executive Officer

DATE: February 23, 2022

SUBJECT: Enter into a 5-year contract with Kone, Inc. in the amount of \$3,169,153 for the inspection, maintenance, and repair of the District's elevator systems.

BACKGROUND

Broward Health operates and maintains 92 elevators through an in-house elevator maintenance department. Due to the hyper-competitive labor market for elevator mechanics, Broward Health is unable to recruit and retain qualified elevator mechanics and is pursuing outsourcing of the elevator service. BH Corporate Facilities partnered with Supply Chain Bids to request competitive quotes from all GPO contractors in the Elevator & Escalator Service, Repair & Maintenance service category. Site visits were conducted throughout the system.

The scope of work is designed to provide full-service coverage for labor and parts except for repairs caused by obsolescence and abuse. The cost of the contract will be offset by BH FTE positions that will be replaced by the program and an expected reduction in repair costs. BH's current resident elevator mechanic is in conversations with the new vendor for a full-time position.

Four contractors participated in the quote process, of which three submitted quotes. Kone submitted the best quote as evaluated by the lowest annual price, full time resident mechanic, implementation plan, operational monitoring, capital planning, and limited scope of clarifications.

PRACTICIONER C.V.²

N/A

ACTION/PROJECT DESCRIPTION

Enter into a 5-year contract with Kone, Inc. in the amount of \$3,169,153 for the inspection, maintenance, and repair of the District's elevator systems.

FINAL FMV REPORT³

Date of Final FMV Report: N/A

² This applies to physician contracts

³ This applies to physician/physician group contracts

FINANCIAL/BUDGETARY IMPACT

Request is budgeted in Operating budget for FY 22

FY 22 - \$195,073
FY 23 - \$602,777
FY 24 - \$620,860
FY 25 - \$639,486
FY 26 - \$658,670
FY 27 - \$452,287

JUSTIFICATION

This will maintain elevator system operability, life safety standards, and compliance with regulatory agencies through ongoing preventative maintenance, testing, inspection, repairs, service calls, documentation, and modernization.

STAFF RECOMMENDATION

Therefore, it is requested that the Board of Commissioners of the North Broward Hospital District authorize the District to enter into a 5-year contract with Kone, Inc. in the amount of \$3,169,153 for the inspection, maintenance, and repair of the District's elevator systems.