Washington Police Department

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TO: The Honorable Mayor Manier and Washington City Council

FROM: Chief of Police Michael D. McCoy and Deputy Chief Jeff Stevens

DATE: May 3, 2018

RE: Contract Authorization for Police Department Elevator Maintenance

The Washington Police Department recently terminated its elevator service contract with the company that installed the original elevator after several costly repairs. The Department sought bids for a more comprehensive service contract in order to provide more accurate budgeting and to control the potential for unusually high repair costs. We sought bids from KONE Elevator, the company that previously provided the service, as well as several other service providers in the Midwest. Only KONE and Thyssen-Krupp responded.

It is our opinion based on the terms of the offered contracts, pricing, and our level of satisfaction with the service record from Thyssen-Krupp, that the Department should contract with KONE for its KONE CareTM Plus service. While it is our intent to maintain this agreement for five years based on KONE offering a discount from its normal rates equal to their offering for a five year contract, the offered contract is annual with provisions for renewal. The initial rate based on annual payment is \$3,484.44 per annum, with an increase based on KONE's general hourly service rate capped at 4% per calendar year. Thus, if KONE's general rate for uncontracted customers increases, the renewal rate each year may also increase, but such increases are capped.

The Department recommends that we contract with KONE for its KONE CareTM Plus service at an initial annual rate of \$3,484.44 per annum, with annual increases not to exceed 4%. Although the contract is annual and renewal subject to proper budgetary authorization in future years, given our intent to enter in to future contract renewals based on proper annual authorization for a total of 5 years, we are seeking Council approval of the contract.