

## REQUEST FOR ACTION

<b>Subject</b>	Elevator Maintenance Contract – Midrise (Lofts)				
<b>Preparer</b>	Al Guzman/Jon McKenna	<b>AOUO Title</b>	GM/ME		
<b>Date</b>	7/14/17	<b>For Board</b>	x	<b>Action</b>	<b>Info</b>

### EXECUTIVE SUMMARY

**Purpose**

The purpose of this RFA is to request that the Board secure a contract for the monthly maintenance of the Midrise (Lofts) elevators.

**Background**

Schindler installed, and currently services, the two (2) elevators that service’s the Lofts residences. The existing service contract expires November 1, 2017.

Thyssen Krup, who currently services The Tower elevators, was asked to provide a proposal; however, after surveying the equipment, they declined, stating they have not yet developed the manuals, tools and support to properly service the Lofts elevators. No other companies were invited to provide a proposal.

**Pricing**

1. Annual preventative maintenance expense is \$10,680 (plus tax).
2. Contract term is for five (5) years.
3. Schindler Digital is an upgraded expense option that provides for:
  - o Remote connectivity platform that helps you monitor, troubleshoot, and track all of your elevators and escalators from one centralized hub.
  - o A comprehensive smart service suite that includes online and mobile portfolio management and remote monitoring.
  - o An integrated, Internet of Things solution that gives you proactive information, better reliability and increased uptime--all while helping you control costs
  - Digital Connect Package – \$10/unit or \$560 (plus tax) annually.
  - Digital Enhance Package - \$20/unit or \$1,120 (plus tax) annually.

4. Payment Options – Schindler apparently does not provide an option to pay for the service on an annual basis (awaiting confirmation this is the case) and charges a % additions depending on the frequency selected. There are three (3) payment frequency options, Semi-Annual (1%), Quarterly (3%), and Monthly (5%).

If payment method is by Direct Debit, a 1% discount is applied.

**Budget Considerations**

The current elevator maintenance budget is \$8,400 annually, representing a shortfall of \$2,783.24. The 2018 budget will incorporate the new contract amount and, based on review of the June 2017 financial and anticipated trend of remaining under budget through 2017, the new contract price is not expected to have major impact on the 2018 budget.

**RECOMMENDATION**

**Recommendation:** Select Schindler as the preventative maintenance service provider at an annual cost of \$11,183 (tax inclusive), excluding selection of Schindler Digital. ~~Payment to be made semi-annually and by direct debit (to negate the 1% fee).~~ Payment to be made monthly at no additional % fee. (Note: ME McKenna provided additional information/revised recommendation at the 7/27/17 Board meeting that the additional % fee as stated on the proposal was not required per ME McKenna's discussion with Shindler Elevator representative.)

<b>Exhibits</b> (If applicable)	<b>Index</b>	<b>Title</b>
	A	N/A
	B	

**FOR BOARD USE ONLY**

**CERTIFICATE OF BOARD ACTION**

X	Approved		Declined		Noted		Returned		Deferred		Withdrawn
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**Stipulations**

Payment of additional % fee was NOT approved by the Board. Contract will reflect Strike through of this provision. Payment frequency will be monthly. Management Executive McKenna to confirm whether a termination clause is required in the Contract per Association governing document requirements.

**Coordinating Instructions**

None.

**Distribution Instructions**

Once fully executed, service agreement to be kept on file in GM office and copy provided To Hawaiian.

Recording Secretary	Howard Kam	Action Date	7/27/17	RFA No.	017-2017
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