

COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF MADISON, WISCONSIN

Resolution No. 4453

Authorizing the execution of a contract with Kone Inc. for elevator maintenance at the Village on Park and, amending the 2021 capital budget in order to perform this work.

Presented August 12, 2021
Referred
Reported Back
Adopted
Placed on File
Moved By
Seconded By
Yeas Nays Absent
Rules Suspended

WHEREAS, the Community Development Authority of the City of Madison (the "CDA") is the owner of The Village on Park, located at 2300 South Park Street (the "Property"); and

WHEREAS, the replacement of a power unit and an underground hydraulic jack/cylinder in a 1968 elevator at the Property (the "Elevator Work") is required given the age of the equipment and safety concerns; and

WHEREAS, the Elevator Work was bid out as RFB 10041-0-2021-KK, and three companies submitted bids on July 14, 2021. Kone Inc. ("Kone") was the lowest bidder with a bid amount of \$64,633 (the "Kone Bid Amount"). The bid results are included in the attached Exhibit A; and

WHEREAS, during the installation phase of the hydraulic cylinder if Kone: (i) should not be able to clean out the existing hole by vacuum truck or by other means, or it is of inadequate diameter or plumbness required to accommodate installation of the new hydraulic cylinder unit without redrilling, then Kone will need to proceed with drilling in order to install the hydraulic cylinder. Kone provided with its bid an Alternative Bid #2 for drilling an incremental cost cap of \$47,250 (the "Incremental Drilling Cap") or (ii) finds the auxiliary steel well casing exists outside the elevator cylinder, and it is found to be of inadequate inside diameter, length, or plumbness to accommodate installation of the new hydraulic cylinder unit and protective casing, then Kone will need to remove the auxiliary casing prior to cleaning out the hole for the new hydraulic cylinder. Kone provided with its bid an Alternative Bid #3 for the removal of the auxiliary casing an incremental cost cap of \$70,720 (the "Auxiliary Well Casing Removal Cap"). Billing for Alternate Bid # 2 or #3 shall be based on hours worked (regular time \$435; overtime \$670), and shall not exceed the respective maximum cap amounts stated.

WHEREAS, either scenario (i) or (ii) referenced above will occur not both; nor said scenarios may not occur at all; and

WHEREAS, the maximum contract amount with Kone would be the Kone Bid Amount plus the Auxiliary Well Casing Removal Cap or a total contract amount of \$135,353 (the "Maximum Kone Contract Amount")

WHEREAS, Performance Elevator Consulting, LLC ("Performance") was hired to survey the elevator, draft the drawings and specifications for the Elevator Work, review the shop drawings and submittals, observe work progress and audit at completion. Performance's contract amount is \$3991 plus an additional \$175 per hour if Alternative Bid 2 or Bid 3 are necessary (the "Performance Contract Amount"); and

WHEREAS, the CDA Board approved in the Property's 2021 capital budget \$30,000 to perform the Elevator Work plus a 10% contingency thereon for a total of \$33,000 (the "21 Elevator Budget"); and

WHEREAS, the Maximum Kone Contract Amount plus the Performance Contract Amount less the 21 Elevator Budget equals \$106,344 (the **“Incremental Elevator Capital Cost”**); and

WHEREAS, per the Property’s 2021 budget the year end cash position is estimated at roughly \$340K, and can fund the Incremental Elevator Capital Cost.

NOW, THEREFORE, BE IT RESOLVED that the CDA hereby authorizes Founders 3 Real Estate Services, LLC to award Kone Inc. a contract to perform the Elevator Work at a contract amount equal to the Kone Bid Amount plus the Incremental Drilling Cap or the Auxiliary Well Casing Removal Cap, if those conditions exist and said work is needed (the **“Kone Contract”**); and

BE IT FURTHER RESOLVED that the Property’s 2021 budget be amended to increase the capital amount for the elevator work by the Incremental Elevator Capital Cost to a new total of \$139,344, and fund it from the Property’s cash flow; and

BE IT FURTHER RESOLVED that the Chair and Director of the CDA hereby authorize Founders 3 Real Estate Services, LLC to execute on behalf of The Village on Park the Kone Contract.