



AGENDA STAFF REPORT

ASR Control 24-000594

MEETING DATE: 08/13/24
LEGAL ENTITY TAKING ACTION: Board of Supervisors
BOARD OF SUPERVISORS DISTRICT(S): 5
SUBMITTING AGENCY/DEPARTMENT: John Wayne Airport (Pending)
DEPARTMENT CONTACT PERSON(S): Charlene Reynolds (949) 252-5183
Amer Moujtahed (949) 252-6038

SUBJECT: Approve Renewal of Contract for Elevator and Escalator Maintenance Services

Table with 3 columns: CEO CONCUR (Concur), COUNTY COUNSEL REVIEW (Approved Agreement to Form), CLERK OF THE BOARD (Discussion, 3 Votes Board Majority)

Budgeted: Yes Current Year Cost: \$755,044 Annual Cost: FY 2025-26 \$1,044,476 FY 2026-27 \$264,265

Staffing Impact: No # of Positions: Sole Source: No
Current Fiscal Year Revenue: N/A
Funding Source: Other: 100% (Fund 280) County Audit in last 3 years: No
Levine Act Review Completed: Yes
Prior Board Action: 4/23/2024 #22, 4/27/2021 #36

RECOMMENDED ACTION(S):

Authorize the County Procurement Officer or Deputized designee to execute Amendment Number Two to renew the contract with Kone, Inc. for Elevator and Escalator Maintenance Services, effective October 1, 2024, through September 30, 2026, in the amount of \$2,063,785, for a revised cumulative total contract amount not to exceed \$5,259,732.

SUMMARY:

Approval of Amendment Number Two to the subordinate contract for Elevator and Escalator Maintenance Services will enable John Wayne Airport to properly maintain and operate elevators and escalators in a safe and efficient manner for the traveling public, tenants, staff and airport partners.

BACKGROUND INFORMATION:

John Wayne Airport (JWA) utilizes a private contractor for Elevator and Escalator Maintenance Services (Services), which include maintenance and repair, inspection, testing, parts and modernization for existing JWA elevator and escalator systems located throughout the terminal building and parking structures.

Elevators and escalators accessible to the public are heavily used during JWA’s operational hours. The non-public access elevators utilized by security, maintenance and concession staff operates 24 hours a day. As vital conveyance assets, elevators and escalators require timely preventive maintenance and qualified service technicians to maximize operational reliability and safety throughout the asset life cycle.

The University of California partnered with OMNIA Partners (Omnia) to make available the University of California Cooperative Agreement (Agreement) #2019.001564 with Kone, Inc. (Kone), effective October 1, 2019, through September 30, 2024. On April 27, 2021, the Board of Supervisors (Board) approved Subordinate Contract MA-280-21011287 (Contract) with Kone, effective June 1, 2021, through May 31, 2024, in an amount not to exceed \$2,876,352, in accordance with terms and conditions of the Agreement.

Action and changes in Contract amounts are shown below.

Board Date	Action Taken	Contract Term/ Amendment Amount	Not to Exceed Contract Amount	Contract Term
4/27/2021 #36	Subordinate Contract MA-280-21011287	\$2,876,352	\$2,876,352	6/1/2021 – 5/31/2024
4/23/2024 #22	Amendment Number One extended the Contract for four additional months to be coterminous with the Master Contract	\$319,595	\$3,195,947	6/1/2024 – 9/30/2024
8/13/2024	Amendment Number Two proposed for Board approval to renew the Contract for two additional years	\$2,063,785	\$5,259,732	10/1/2024 – 9/30/2026
	Total	\$5,259,732	\$5,259,732	

The Omnia Agreement included the option to extend the Contract for five additional, one-year terms. Omnia and Kone executed their option to renew on June 19, 2024, with new Agreement terms extending through August 31, 2029. JWA is proposing to continue procuring these Services for two additional years in accordance with the 2024 Contract Policy Manual Section 3.3-102. The Orange County Preference Policy is not applicable to regional cooperative agreements (RCA).

JWA is requesting Board approval to authorize the execution of Amendment Number Two to renew the Contract for two years with Kone, effective October 1, 2024, through September 30, 2026. The requested renewal of the existing Contract does not expand the scope of services provided by the Contractor.

The Contractor’s performance has been confirmed as satisfactory. JWA has verified there are no concerns that must be addressed with respect to Contractor’s ownership/name, litigation status or conflicts with County interests. The Contractor is based in Illinois with a local office based in Cypress, CA.

This Contract does not include subcontractors or pass through to other providers. See Attachment B for the Contract Summary Form.

Compliance with CEQA: The proposed project was previously determined to be Categorical Exempt from CEQA pursuant to Section 15301 (Class 1) of the CEQA Guidelines, on April 27, 2021, when it was originally approved because it consists of the repair and maintenance of existing public facilities including mechanical equipment, involving negligible or no expansion of use. The proposed project is still consistent with this determination.

FINANCIAL IMPACT:

Appropriations for this Contract are included in Fund 280, Airport Operating, FY 2024-25 Budget and will be included in the budgeting process for future years.

The Contract referenced in this agenda item contains language that permits reductions or termination of the Contract immediately and without penalty if approved funding or appropriations are not forthcoming.

STAFFING IMPACT:

N/A

ATTACHMENT(S):

Attachment A – Contract Amendment Number Two to Subordinate Contract MA-280-21011287 with Kone, Inc.

Attachment B – Redline to Previous Amendment

Attachment C – Contract Summary Form



**AMENDMENT NUMBER TWO
FOR
ELEVATOR AND ESCALATOR MAINTENANCE SERVICES**

This Amendment is made and entered into as of the date fully executed by and between the County of Orange, a political subdivision of the State of California, through its department John Wayne Airport (“County” or “JWA”) and Kone, Inc. (“Contractor”), with County and Contractor sometimes individually referred to as “Party” or collectively referred to as “Parties”.

RECITALS

WHEREAS, the University of California has partnered with OMNIA Partners to make available University of California Purchasing Agreement 2019.001564 with Kone, Inc. (the “Master Contract”) effective October 1, 2019, through September 30, 2024; and,

WHEREAS, Sections 4 and 8 were amended to adjust for price increases and prevailing wage requirement pursuant to Amendment One of the Master Contract effective October 1, 2019; and,

WHEREAS, County and Contractor entered into Subordinate Contract MA-280-21011287 for Elevator and Escalator Maintenance Services, effective June 1, 2021 through May 31, 2024, for a Total Contract Amount Not to Exceed \$2,876,352.00 (the “Contract”); and,

WHEREAS, pursuant to Amendment Number One, the parties extended the term of the Contract for four (4) additional months to be coterminous with Master Contract, effective June 1, 2024, through September 30, 2024, with a new Total Contract Amount Not to Exceed of \$3,195,947.00; and,

WHEREAS, the Parties now desire to renew the Contract for two additional (2) years effective October 1, 2024 through September 30, 2026, with a new Total Contract Amount Not to Exceed of \$2,063,785.00; and,

NOW, THEREFORE, the Parties mutually agree as follows:

AMENDMENT TO CONTRACT ARTICLES

1. Section 2 of the Contract’s Additional Terms and Conditions shall be amended to read in its entirety as follows:
 2. **Term of Contract**: Contract shall be renewed effective October 1, 2024, for two (2) years from that date, and shall continue to incorporate the terms and conditions of the Master Contract, regardless of whether the Master Contract terminates prior to the expiration or termination of the Contract, unless otherwise terminated by the County.
2. Section 32 of the Contract’s Additional Terms and Conditions shall be amended to read in its entirety as follows:

32. Notices: Any and all notices, requests demands, and other communications contemplated, called for, permitted, or required to be given hereunder shall be in writing with a copy provided to the assigned Deputy Purchasing Agent (DPA), except through the course of the parties’ project managers’ routine exchange of information and cooperation during the terms of the work and services. Any written communications shall be deemed to have been duly given upon actual in-person delivery, if delivery is by direct hand, or upon delivery on the actual day of receipt or no greater than four (4) calendar days after being mailed by US certified or registered mail, return receipt requested, postage prepaid, whichever occurs first. The date of mailing



shall count as the first day. All communications shall be addressed to the appropriate party at the address stated herein or such other address as the parties hereto may designate by written notice from time to time in the manner aforesaid.

Contractor: KONE, Inc.
Attn: Vanessa Kongelka
1540 Scenic Avenue, Suite 100
Costa Mesa, CA 92626
Phone: (714) 890-7080
Email: vanessa.kongelka@kone.com

County's Project Manager: JWA/Maintenance
Attn: Joel Archer, Project Manager
3180 Airway Avenue
Costa Mesa, CA 92626
Phone: (714) 272-8092
Email: joel.archer@ocpw.ocgov.com
jarcher@ocair.com

cc: JWA/Procurement
Attn: Monica Rodriguez, County DPA
3160 Airway Avenue
Costa Mesa, CA 92626
Phone: (949) 252-5240
Email: mrodriguez@ocair.com

3. Attachment B, Payment/Compensation shall be replaced in its entirety as attached hereto.
3. All other terms and conditions of the Contract except as amended herein shall remain unchanged and with full force and effect.



IN WITNESS WHEREOF, the Parties hereto have executed this Amendment on the date first above written.

DocuSigned by: <i>Jeffrey Blum</i>	Jeffrey Blum	Senior Vice President	ECMS#1317207241
768CA20BFC44420...	_____	_____	_____
Signature	Name	Title	Date

DocuSigned by: <i>Cheryl Gabriel</i>	Cheryl Gabriel	Assistant Secretary	/3/2024
05A74410C4E6484...	_____	_____	_____
Signature	Name	Title	Date

COUNTY OF ORANGE, A political subdivision of the State of California
COUNTY AUTHORIZED SIGNATURE:

		Deputy Purchasing Agent	
_____	_____	_____	_____
Signature	Name	Title	Date

APPROVED AS TO FORM:

County Counsel

By	<i>Christine Nguyen</i>	Deputy
Date	26F9D76C929A49E...	/3/2024

* If the contracting party is a corporation, (2) two signatures are required: one (1) signature by the Chairman of the Board, the President or any Vice President; and one (1) signature by the Secretary, any Assistant Secretary, the Chief Financial Officer or any Assistant Treasurer. The signature of one person alone is sufficient to bind a corporation, as long as he or she holds corporate offices in each of the two categories described above. For County purposes, proof of such dual office holding will be satisfied by having the individual sign the instrument twice, each time indicating his or her office that qualifies under the above described provision. In the alternative, a single corporate signature is acceptable when accompanied by a corporate resolution demonstrating the legal authority of the signator to bind the corporation.



**ATTACHMENT B
PAYMENT/COMPENSATION**

1. **Compensation:** This is a firm-fixed fee and time and materials Contract between the County and Contractor for Elevator and Escalator Maintenance Services as set forth in Attachment A, "Scope of Work."

The Contractor agrees to accept the specified compensation as set forth in this Contract as full payment for performing all services and furnishing all staffing and materials required, for any reasonably unforeseen difficulties which may arise or be encountered in the execution of the services until acceptance, for risks connected with the services, and for performance by the Contractor of all its duties and obligations hereunder. The Contractor shall only be compensated as set forth herein for work performed in accordance with the Scope of Work.

The County shall have no obligation to pay any sum in excess of the fixed rates specified herein unless authorized by amendment in accordance with Articles C and P of the County Contract Terms and Conditions.

2. **Fees and Charges:** County will pay the following fees in accordance with the provisions of this Contract. Payment shall be as follows:

A. Task 1 & 2

Fixed Cost Task 1 & 2		
Service	Monthly Cost	Annual Cost
Task 1 & 2*	\$43,247.40	\$518,968.80 (Year 4)
Task 1 & 2*	\$45,409.77	\$544,917.24 (Year 5)
Total Cost		\$1,063,887.00

*Costs must remain unchanged and valid for the duration of the contract term (Years 4 and 5). In no event shall an agreed upon increase be greater than the Consumer Price Index for all urban consumers as issued by the Bureau of Labor Statistics of the U.S. Department of Labor in the Los Angeles-Long Beach-Anaheim area ("CPI"), reported each September (as measured by the increase in the CPI from September of the previous year to August of the present year).

- B. Task 3 – Task 3 Scope will be completed on an as-needed basis through a combination of time and materials and lump sum Task Orders.

Expenses:

- Contractor will add a **25 %** mark-up on direct expenses.
- Total mark-up will not exceed **15%** of the total Task 3 costs incurred in any contract year.
- These percentage mark-ups will not increase over the life of this contract.

*Labor: Hourly Rates (shall include all labor, benefits, overhead and profit/loaded):

Year	Normal Hours	Overtime	Sundays/Holidays/DT
Licensed Mechanic			
2024	\$250	\$425	\$500
2025	\$304.20	\$517.15	\$608.41
2026	\$314.85	\$535.25	\$629.70
Mechanic Helper			



Elevator and Escalator Maintenance Services

2024	\$210	\$357	\$394
2025	\$255.65	\$434.61	\$511.30
2026	\$264.60	\$449.82	\$529.20
Adjuster			
2024	\$274	\$466	\$549
2025	\$333.29	\$566.59	\$666.57
2026	\$344.95	\$586.42	\$689.90

*Labor rates listed above must remain unchanged and valid for the contract term (Years 4 and 5).

*Labor hours shall be charged on the basis of actual time spent on each job, not on a portal-to-portal basis, and shall be computed to the nearest one quarter (1/4) hour.

Additional Work (Task 3): Any additional services not listed in the Contract must be approved by County’s Project Manager or designee in accordance with Attachment “A”, Section 3, item Section 3 –Task 3.

Task 3 - Additional Work – Year 4: \$487,755.00

Task 3 – Additional Work – Year 5: \$512,143.00

Total Contract Amount Not To Exceed: \$2,063,785.00

- 3. Price Increase/Decreases:** No price increases will be permitted during the first term of the Contract. The County requires documented proof of cost increases on Contracts prior to any price adjustment. A minimum of 30-days advance notice in writing is required to secure such adjustment. No retroactive price adjustments will be considered. All price decreases will automatically be extended to the County of Orange. The County may enforce, negotiate, or cancel escalating price Contracts or take any other action it deems appropriate, as it sees fit. The net dollar amount of profit will remain firm during the period of the Contract. Adjustments increasing the Contractor’s profit will not be allowed.
- 4. Firm Discount and Pricing Structure:** Contractor guarantees that prices quoted are equal to or less than prices quoted to any other local, State or Federal government entity for services of equal or lesser scope. Contractor agrees that no price increases shall be passed along to the County during the term of this Contract not otherwise specified and provided for within this Contract.
- 5. Contractor’s Expense:** The Contractor will be responsible for all costs related to photo copying, telephone communications and fax communications, and parking while on County sites during the performance of work and services under this Contract.
- 6. Final Payment:** Final payment shall be issued based on the completion of the work as described in this Contract and County Project Manager accepts all the work and JWA issued badges are returned to Badging Office.
- 7. Payment Terms – Payment in Arrears:** Invoices are to be submitted in arrears to the user agency/department to the ship-to address, unless otherwise directed in this Contract. Vendor shall reference Contract number on invoice. Payment will be net 30 days after receipt of an invoice in a format acceptable to the County of Orange and verified and approved by the agency/department and subject to routine processing requirements. The responsibility for providing an acceptable invoice rests with the Contractor.



County of Orange, John Wayne Airport

MA-280-21011287

Elevator and Escalator Maintenance Services

Billing shall cover services and/or goods not previously invoiced. The Contractor shall reimburse the County of Orange for any monies paid to the Contractor for goods or services not provided or when goods or services do not meet the Contract requirements.

Payments made by the County shall not preclude the right of the County from thereafter disputing any items or services involved or billed under this Contract and shall not be construed as acceptance of any part of the goods or services.

8. **Taxpayer ID Number:** The Contractor shall include its taxpayer ID number on all invoices submitted to the County for payment to ensure compliance with IRS requirements and to expedite payment processing.
9. **Payment – Invoicing Instructions:** The Contractor will provide an invoice on the Contractor's letterhead for goods delivered and/or services rendered. In the case of goods, the Contractor will leave an invoice with each delivery. Each invoice will have a number and will include the following information (see Attachment A, Scope of Work, Section 30 – Invoicing):
 - A. Contractor's name and address
 - B. Contractor's remittance address, if different from 1 above
 - C. Contractor's Federal Taxpayer ID Number
 - D. Name of County Agency/Department
 - E. Delivery/service address
 - F. Master Agreement (MA) or Purchase Order (PO) number
 - G. Agency/Department's Account Number
 - H. Date of invoice and invoice number
 - I. Product/service description, quantity, and prices
 - J. Sales tax, if applicable
 - K. Freight/delivery charges, if applicable
 - L. Total

Invoices and support documentation are to be forwarded to **(not both)**:

Mailed to John Wayne Airport
 Attention: Accounts Payable
 3160 Airway Avenue
 Costa Mesa, CA 92626

OR

Emailed to AccountsPayable@ocair.com

Contractor has the option of receiving payment directly to their bank account via an Electronic Fund Transfer (EFT) process in lieu of a check payment. Payment made via EFT will also receive Electronic Remittance Advice with the payment details via email. An email address will need to be provided to the County via and EFT Authorization Form. To request a form, please contact the DPA.

AMENDMENT NUMBER ~~TWO~~ ONE
FOR
ELEVATOR AND ESCALATOR MAINTENANCE SERVICES

This Amendment is made and entered into as of the date fully executed by and between the County of Orange, a political subdivision of the State of California, through its department John Wayne Airport (“County” or “JWA”) and Kone, Inc. (“Contractor”), with County and Contractor which are sometimes individually referred to as “Party” or collectively referred to as “Parties”.

RECITALS

WHEREAS, the University of California has partnered with OMNIA Partners to make available University of California Purchasing Agreement 2019.001564 with Kone, Inc. (the “Master Contract”) effective October 1, 2019, through September 30, 2024; and

WHEREAS, Sections 4 and 8 were amended to adjust for price increases and require prevailing wages requirement pursuant to Amendment One of the Master Contract effective October 1, 2019; and

WHEREAS, County and Contractor entered into Subordinate Contract MA-280-21011287 for Elevator and Escalator Maintenance Services, effective June 1, 2021 through May 31, 2024, for a Total Contract Amount Not to Exceed \$2,876,352.00 (the “Contract”); and,

WHEREAS, Pursuant to Amendment Number One, the parties extended the term of the Contract for four (4) additional months to be coterminous with Master Contract, effective June 1, 2024, through September 30, 2024, with a new Total Not to Exceed of \$3,195,947.00; and,

WHEREAS, the Parties now desire to extend the term renew of the Contract by four (4) months for two (2) additional years; effective June-October 1, 2024 through September 30, 20246, with a new Total Contract Not-to-Exceed of \$3,195,947,063,785.00; and,

NOW THEREFORE, the Parties mutually agree as follows:

AMENDMENT TO CONTRACT ARTICLES

1. Article 2 of the Additional Terms and Conditions shall be amended to read in its entirety as follows:

2. **Term of Contract:** ~~The term of this~~ Contract shall be extended through renewed effective September 30 October 1, 2024, for two (2) years from that date, and shall continue to incorporate the terms and conditions of the Master Contract, regardless of whether the Master Contract terminates prior to the expiration or termination of the Contract, unless otherwise terminated by the County. ~~This Contract may be renewed as set forth in paragraph 3 below.~~

~~2. Attachment B, Section 2, shall be amended to read in its entirety as follows:~~

~~3. Fees and Charges: County will pay the following fees in accordance with the provisions of this Contract. Payment shall be as follows:~~

~~D. Task 1 & 2~~

	<u>Fixed Cost Task 1 & 2</u>	
<u>Service</u>	<u>Monthly Cost</u>	<u>06/01/24—09/30/24</u>
<u>Task 1 & 2*</u>	<u>\$41,188.00</u>	<u>\$164,752.00</u>

~~**Task 1 & 2:**~~ **\$1,647,520.00**

~~*Costs must remain unchanged and valid for the first three years of the contract term (Years 1, 2 and 3) if the contract is extended beyond three years, Units Costs may be renegotiated on an annual basis. In no event shall an agreed upon increase be greater than the Consumer Price Index for all urban consumers as issued by the Bureau of Labor Statistics of the U.S. Department of Labor in the Los Angeles Long Beach Anaheim area ("CPI"), reported each September (as measured by the increase in the CPI from September of the previous year to August of the present year).~~

~~B. Task 3 — Task 3 Scope will be completed on an as needed basis through a combination of time and materials and lump sum Task Orders.~~

~~Expenses:~~

- ~~• Contractor will add a 25 % mark up on direct expenses.~~
- ~~• Total mark up will not exceed 15% of the total Task 3 costs incurred in any contract year.~~
- ~~• These percentage mark ups will not increase over the life of this contract.~~

~~*Labor: Hourly Rates (shall include all labor, benefits, overhead and profit/loaded):~~

YEAR	NORMAL HOURS	OVERTIME	SUNDAYS / HOLIDAYS
LICENSED MECHANIC			
2021	\$235	\$399	\$469
2022	\$235	\$399	\$469
2023	\$243	\$412	\$484
2024	\$250	\$425	\$500
MECHANIC HELPER			
2021	\$197	\$335	\$394
2022	\$197	\$335	\$394
2023	\$203	\$346	\$407
2024	\$210	\$357	\$420
ADJUSTER			
2021	\$257	\$437	\$515
2022	\$257	\$437	\$515
2023	\$265	\$451	\$531
2024	\$274	\$466	\$549

~~*Labor rates listed above must remain unchanged and valid for the first three years of the contract term (Years 1, 2 and 3) if the contract is extended beyond three years, Units Costs may be renegotiated on an annual basis. Labor rates for years 4 and 5, if awarded, will be based on final negotiated rates in the UC/Omnia contract for 2024, 2025 and 2026. If there are no new negotiated UC/Omnia rates for those years, they will be negotiated based, in part, on union rates and the Consumer Price Index for all urban consumers as issued by the Bureau of Labor Statistics of the U.S. Department of Labor in the Los Angeles Long Beach Anaheim area ("CPI"), reported each September (as measured by the increase in the CPI from September of the previous year to August of the present year).~~

~~*Labor hours shall be charged on the basis of actual time spent on each job, not on a portal to portal basis, and shall be computed to the nearest one quarter (1/4) hour.~~

~~**Additional Work (Task 3):** Any additional services not listed in the Contract must be approved by County's Project Manager or designee in accordance with Attachment "A", Section 3, item Section 3 — Task 3.~~

~~**Task 3:** _____ **\$1,548,427.00**~~

~~Total Contract Amount Not To Exceed: \$3,195,947.00~~

~~31.2.~~ Section 32 of the Contract's Additional Terms and Conditions shall be amended to read in its entirety as follows:

32. Notices: Any and all notices, requests demands, and other communications contemplated, called for, permitted, or required to be given hereunder shall be in writing with a copy provided to the assigned Deputy Purchasing Agent (DPA), except through the course of the parties' project managers' routine exchange of information and cooperation during the terms of the work and services. Any written communications shall be deemed to have been duly given upon actual in-person delivery, if delivery is by direct hand, or upon delivery on the actual day of receipt or no greater than four (4) calendar days after being mailed by US certified or registered mail, return receipt requested, postage prepaid, whichever occurs first. The date of mailing shall count as the first day. All communications shall be addressed to the appropriate party at the address stated herein or such other address as the parties hereto may designate by written notice from time to time in the manner aforesaid.

Contractor: KONE, Inc.
Attn: Vanessa Kongelka
1540 Scenic Avenue, Suite 100
Costa Mesa, CA 92626
Phone: (714) 890-7080
Email: vanessa.kongelka@kone.com

County's Project Manager: JWA/Maintenance
Attn: Joel Archer, Project Manager 3180
Airway Avenue
Costa Mesa, CA 92626
Phone: (714) 272-8092
Email: joel.archer@ocpw.ocgov.com
jarcher@ocair.com

cc: JWA/Procurement
Attn: Monica Rodriguez, County DPA
3160 Airway Avenue
Costa Mesa, CA 92626
Phone: (949) 252-5240
Email: mrodriguez@ocair.com

~~32.3.~~ Attachment B, Payment/Compensation shall be replaced in its entirety as attached hereto.

~~33.4.~~ All other terms and conditions of the Contract, ~~including any prior amendments~~, except as amended herein shall remain unchanged and with full force and effect.

Signature Page

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment ~~to the Contract~~ on the date first above written.

KONE, INC., *

<u>Signature</u>	<u>Name</u>	<u>Title</u>	<u>Date</u>
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<u>Signature</u>	<u>Name</u>	<u>Title</u>	<u>Date</u>
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COUNTY OF ORANGE, A political subdivision of the State of California

COUNTY AUTHORIZED SIGNATURE:

Deputy Purchasing Agent

<u>Signature</u>	<u>Name</u>	<u>Title</u>	<u>Date</u>
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APPROVED AS TO FORM:

County Counsel

By _____
Deputy

Date _____

* If the contracting party is a corporation, (2) two signatures are required: one (1) signature by the Chairman of the Board, the President or any Vice President; and one (1) signature by the Secretary, any Assistant Secretary, the Chief Financial Officer or any Assistant Treasurer. The signature of one person alone is sufficient to bind a corporation, as long as he or she holds corporate offices in each of the two categories described above. For County purposes, proof of such dual office holding will be satisfied by having the individual sign the instrument twice, each time indicating his or her office that qualifies under the above described provision. In the alternative, a single corporate signature is acceptable when accompanied by a corporate resolution demonstrating the legal authority of the signator to bind the corporation.

ATTACHMENT B
PAYMENT/COMPENSATION

- 2. Compensation:** This is a firm-fixed fee and time and materials Contract between the County and Contractor for Elevator and Escalator Maintenance Services as set forth in Attachment A, "Scope of Work."

The Contractor agrees to accept the specified compensation as set forth in this Contract as full payment for performing all services and furnishing all staffing and materials required, for any reasonably unforeseen difficulties which may arise or be encountered in the execution of the services until acceptance, for risks connected with the services, and for performance by the Contractor of all its duties and obligations hereunder. The Contractor shall only be compensated as set forth herein for work performed in accordance with the Scope of Work.

The County shall have no obligation to pay any sum in excess of the fixed rates specified herein unless authorized by amendment in accordance with Articles C and P of the County Contract Terms and Conditions.

- 3. Fees and Charges:** County will pay the following fees in accordance with the provisions of this Contract. Payment shall be as follows:

A. Task 1 & 2

Fixed Cost Task 1 & 2		
<u>Service</u>	<u>Monthly Cost</u>	<u>Annual Cost</u>
<u>Task 1 & 2*</u>	<u>\$43,247.40</u>	<u>\$518,968.80 (Year 4)</u>
<u>Task 1 & 2*</u>	<u>\$45,409.77</u>	<u>\$544,917.24 (Year 5)</u>
	<u>Total Cost</u>	<u>\$1,063,887.00</u>

*Costs must remain unchanged and valid for the duration of the contract term (Years 4 and 5). In no event shall an agreed upon increase be greater than the Consumer Price Index for all urban consumers as issued by the Bureau of Labor Statistics of the U.S. Department of Labor in the Los Angeles-Long Beach-Anaheim area ("CPI"), reported each September (as measured by the increase in the CPI from September of the previous year to August of the present year).

- B. Task 3 – Task 3 Scope will be completed on an as-needed basis through a combination of time and materials and lump sum Task Orders.

Expenses:

- Contractor will add a **25 %** mark-up on direct expenses.
- Total mark-up will not exceed **15%** of the total Task 3 costs incurred in any contract year.
- These percentage mark-ups will not increase over the life of this contract.

*Labor: Hourly Rates (shall include all labor, benefits, overhead and profit/loaded):

<u>Year</u>	<u>Normal Hours</u>	<u>Overtime</u>	<u>Sundays/Holidays/DT</u>
<u>Licensed Mechanic</u>			
<u>2024</u>	<u>\$250</u>	<u>\$425</u>	<u>\$500</u>
<u>2025</u>	<u>\$304.20</u>	<u>\$517.15</u>	<u>\$608.41</u>
<u>2026</u>	<u>\$314.85</u>	<u>\$535.25</u>	<u>\$629.70</u>

<u>Mechanic Helper</u>			
<u>2024</u>	<u>\$210</u>	<u>\$357</u>	<u>\$394</u>
<u>2025</u>	<u>\$255.65</u>	<u>\$434.61</u>	<u>\$511.30</u>
<u>2026</u>	<u>\$264.60</u>	<u>\$449.82</u>	<u>\$529.20</u>
<u>Adjuster</u>			
<u>2024</u>	<u>\$274</u>	<u>\$466</u>	<u>\$549</u>
<u>2025</u>	<u>\$333.29</u>	<u>\$566.59</u>	<u>\$666.57</u>
<u>2026</u>	<u>\$344.95</u>	<u>\$586.42</u>	<u>\$689.90</u>

*Labor rates listed above must remain unchanged and valid for the contract term (Years 4 and 5).

*Labor hours shall be charged on the basis of actual time spent on each job, not on a portal-to-portal basis, and shall be computed to the nearest one quarter (1/4) hour.

Additional Work (Task 3): Any additional services not listed in the Contract must be approved by County's Project Manager or designee in accordance with Attachment "A", Section 3, item Section 3 -Task 3.

Task 3 - Additional Work – Year 4:	\$487,755.00
Task 3 – Additional Work – Year 5:	\$512,143.00

Total Contract Amount Not To Exceed:	\$2,063,785.00
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- 4. Price Increase/Decreases:** No price increases will be permitted during the first term of the Contract. The County requires documented proof of cost increases on Contracts prior to any price adjustment. A minimum of 30-days advance notice in writing is required to secure such adjustment. No retroactive price adjustments will be considered. All price decreases will automatically be extended to the County of Orange. The County may enforce, negotiate, or cancel escalating price Contracts or take any other action it deems appropriate, as it sees fit. The net dollar amount of profit will remain firm during the period of the Contract. Adjustments increasing the Contractor's profit will not be allowed.
- 5. Firm Discount and Pricing Structure:** Contractor guarantees that prices quoted are equal to or less than prices quoted to any other local, State or Federal government entity for services of equal or lesser scope. Contractor agrees that no price increases shall be passed along to the County during the term of this Contract not otherwise specified and provided for within this Contract.
- 6. Contractor's Expense:** The Contractor will be responsible for all costs related to photo copying, telephone communications and fax communications, and parking while on County sites during the performance of work and services under this Contract.
- 7. Final Payment:** Final payment shall be issued based on the completion of the work as described in this Contract and County Project Manager accepts all the work and JWA issued badges are returned to Badging Office.
- 8. Payment Terms – Payment in Arrears:** Invoices are to be submitted in arrears to the user agency/department to the ship-to address, unless otherwise directed in this Contract. Vendor shall reference Contract number on invoice. Payment will be net 30 days after receipt of an invoice in a format acceptable to the County of Orange and verified and approved by the agency/department and subject to routine processing requirements. The responsibility for providing an acceptable invoice rests with the Contractor.

Billing shall cover services and/or goods not previously invoiced. The Contractor shall reimburse the County of Orange for any monies paid to the Contractor for goods or services not provided or when goods or services do not meet the Contract requirements.

Payments made by the County shall not preclude the right of the County from thereafter disputing any items or services involved or billed under this Contract and shall not be construed as acceptance of any part of the goods or services.

9. Taxpayer ID Number: The Contractor shall include its taxpayer ID number on all invoices submitted to the County for payment to ensure compliance with IRS requirements and to expedite payment processing.

10. Payment – Invoicing Instructions: The Contractor will provide an invoice on the Contractor's letterhead for goods delivered and/or services rendered. In the case of goods, the Contractor will leave an invoice with each delivery. Each invoice will have a number and will include the following information (see Attachment A, Scope of Work, Section 30 – Invoicing):

- A. Contractor's name and address
- B. Contractor's remittance address, if different from 1 above
- C. Contractor's Federal Taxpayer ID Number
- D. Name of County Agency/Department
- E. Delivery/service address
- F. Master Agreement (MA) or Purchase Order (PO) number
- G. Agency/Department's Account Number
- H. Date of invoice and invoice number
- I. Product/service description, quantity, and prices
- J. Sales tax, if applicable
- K. Freight/delivery charges, if applicable
- L. Total

Invoices and support documentation are to be forwarded to (not both):

Mailed to John Wayne Airport
Attention: Accounts Payable
3160 Airway Avenue
Costa Mesa, CA 92626

OR

Emailed to AccountsPayable@ocair.com

Contractor has the option of receiving payment directly to their bank account via an Electronic Fund Transfer (EFT) process in lieu of a check payment. Payment made via EFT will also receive Electronic Remittance Advice with the payment details via email. An email address will need to be provided to the County via and EFT Authorization Form. To request a form, please contact the DPA.

Contract Summary Form

OC Expediter Requisition #: 1686675

Kone, Inc

SUMMARY OF SIGNIFICANT CHANGES

1. Term: renewed for 2 years from previous contract (in accordance with Omnia renewal).
Page 1
2. Costs: increase of 3.5% for each year of the renewal. Page 4 & 5

SUBCONTRACTORS

This contract, due to the nature of the services, could require the addition of subcontractors. In order to add subcontractor(s) to the contract, the contractor must seek express consent from the department. Should the addition of a subcontractor impact the scope of work and/or contract amount, the department will bring the item back to the Board of Supervisors for approval. In the past (if there is information available), subcontractor(s) have been used for this contract.

This contract includes the following subcontractors or pass through to other providers.

Subcontractor Name	Services(s)	Amount
Unknown at this time	Unknown at this time	Unknown

CONTRACT OPERATING EXPENSES

Current Year Cost: \$755,044 / Annual Cost: FY 2025-26 \$1,044,476 & FY 2026-27 \$264,265

Year 4: Task 1 & 2 - Fixed Cost - \$518,968.80 / Task 3 - Additional Work - \$487,755.00

Year 5: Task 1 & 2 – Fixed Cost - \$544,917.24 / Task 3 – Additional Work - \$512,143.00

Total Contract Amount Not to Exceed: \$2,063,785.00

Contractor's Expense: The Contractor will be responsible for all costs related to photo copying, telephone communications and fax communications, and parking while on County sites during the performance of work and services under this Contract.