

1 [Airport Professional Services Agreement Modification - KONE Inc. - Escalator and Electric  
2 Walk Maintenance Services - Not to Exceed \$42,780,241]

3 **Resolution approving Modification No. 5 to Airport Contract No. 50205, Escalator and**  
4 **Electric Walk Maintenance, Repair, and On-Call Services, with KONE Inc., to increase**  
5 **the contract amount by \$8,314,641 for a new not to exceed contract amount of**  
6 **\$42,780,241 with no change to the contract term, pursuant to Charter, Section**  
7 **9.118(b).**

8  
9 WHEREAS, On May 7, 2019, by Resolution No. 19-0098, the Airport Commission  
10 awarded Professional Services Contract No. 50205 (the "Agreement") to KONE Inc. to  
11 provide maintenance, repair, and on-call service for the Airport's approximately 181  
12 escalators and electric walks for a two-year period beginning July 1, 2019, through June  
13 30, 2021, in an amount not to exceed \$9,765,600; and

14 WHEREAS, On October 1, 2019, the Airport Director approved Modification No. 1 to  
15 the Agreement to increase the allowance for As-Needed Services with no change to the  
16 total contract amount; and

17 WHEREAS, On July 1, 2020, the Airport director approved Modification No. 2 to the  
18 Agreement to reduce unit prices for preventative maintenance, adjust the preventative  
19 maintenance schedule, and update standard contractual terms, with no change to the total  
20 contract amount; and

21 WHEREAS, On December 1, 2020, by Resolution No. 20-0223, the Airport  
22 Commission approved Modification No. 3 to the Agreement to increase the contract amount  
23 by \$9,000,000 for a new total contract amount not to exceed \$18,765,600 with no change  
24 to the contract term; and

1           WHEREAS, On February 9, 2021, by Resolution No. 55-21, the Board of  
2 Supervisors approved Modification No. 3 to the Agreement under San Francisco Charter,  
3 Section 9.118(b) for a reduced amount of \$8,500,000 for a new total contract amount not to  
4 exceed \$18,265,600; and

5           WHEREAS, On May 4, 2021, by Resolution No. 21-0104, the Airport Commission  
6 approved Modification No. 4 to the Agreement to extend the contract term by three years to  
7 a new contract end date of June 30, 2024, and to increase the contract amount by  
8 \$16,200,000 for a new contract amount not to exceed \$34,465,600; and

9           WHEREAS, On June 15, 2021, by Resolution No. 306-21, the Board of Supervisors  
10 approved Modification No. 4 to the Agreement under San Francisco Charter, Section  
11 9.118(b); and

12           WHEREAS, On April 18, 2023, by Resolution No. 23-0095, the Airport Commission  
13 approved Modification No. 5 to the Agreement to increase the contract amount by  
14 \$14,000,000 for a new contract amount not to exceed \$48,465,600, with no change to the  
15 contract term; and

16           WHEREAS, Prior to approval of Modification No. 5 by the Board of Supervisors and  
17 following initial review of the modification by the Budget and Legislative Analyst's Office,  
18 Airport staff identified billing discrepancies and work order irregularities that necessitated a  
19 revision to the amount of the requested increase to the Agreement; and

20           WHEREAS, Airport staff negotiated with KONE Inc a revised Modification No. 5 to  
21 increase the contract amount by \$8,314,641, rather than the \$14,000,000 previously  
22 approved by the Airport Commission by Resolution No. 23-0095; and

23           WHEREAS, This revised Modification No. 5 would result in a new total not to exceed  
24 contract amount of \$42,780,241, rather than the \$48,465,600 previously approved by the  
25 Airport Commission by Resolution No. 23-0095; and

1           WHEREAS, This revised amount will allow the Airport to resolve work order  
2 irregularities by issuing two retroactive task orders totaling \$4.45 million for equipment  
3 overhaul services and materials and weekend services provided by KONE Inc beginning in  
4 September 2021, account for and pay for contract costs incurred to date, and provide a  
5 reasonable contingency for future unanticipated repairs through the Agreement end date of  
6 June 30, 2024; and

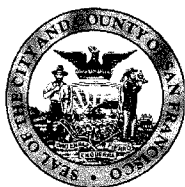
7           WHEREAS, On March 5, 2024, by Resolution No. 24-0031, the Airport Commission  
8 approved the revised Modification No. 5 to the Agreement to increase the contract amount  
9 by \$8,314,641 for a new contract amount not to exceed \$42,780,241, with no change to the  
10 contract term; and

11           WHEREAS, Charter, Section 9.118(b), provides that agreements entered into by a  
12 department, board or commission requiring anticipated expenditures by the City and  
13 County of ten million dollars or more, shall be subject to approval by the Board of  
14 Supervisors by Resolution; and

15           WHEREAS, The original Contract and Modifications No. 1, 2, 3, and 4 are all on file  
16 with the Clerk of the Board of Supervisors in File No. 240223, which is hereby declared to  
17 be a part of this Resolution as set forth fully herein; now, therefore, be it

18           RESOLVED, That this Board hereby approves Modification No. 5 to Contract No.  
19 50205, Escalator and Electric Walk Maintenance, Repair, and On-Call Services with KONE  
20 Inc. to increase the contract amount by \$8,314,641 for a new not to exceed contract  
21 amount of \$42,780,241; and, be it

22           FURTHER RESOLVED, That within 30 days of Modification No. 5 being fully  
23 executed by all parties, the Airport Commission shall provide it to the Clerk of the Board for  
24 inclusion in the official file.



# City and County of San Francisco

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

## Tails Resolution

**File Number:** 240223

**Date Passed:** April 23, 2024

Resolution approving Modification No. 5 to Airport Contract No. 50205, Escalator and Electric Walk Maintenance, Repair, and On-Call Services, with KONE Inc., to increase the contract amount by \$8,314,641 for a new not to exceed contract amount of \$42,780,241 with no change to the contract term, pursuant to Charter, Section 9.118(b).


April 17, 2024 Budget and Finance Committee - RECOMMENDED

April 23, 2024 Board of Supervisors - ADOPTED

Ayes: 11 - Chan, Dorsey, Engardio, Mandelman, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

File No. 240223

I hereby certify that the foregoing Resolution was ADOPTED on 4/23/2024 by the Board of Supervisors of the City and County of San Francisco.

  
\_\_\_\_\_  
Angela Calvillo  
Clerk of the Board

  
\_\_\_\_\_

London N. Breed  
Mayor

5/3/24  
\_\_\_\_\_

Date Approved