

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the Council:

SUBJECT: General Services-Approve consent to the transfer and assignment of the Elevator Maintenance Contract.

Expenditure: Not Applicable

RECOMMENDATION

Recommendation of the General Services Director that the City Council:

- 1) Approve transfer and assignment of the Elevator Maintenance Contract (C2008-206) as part of an Asset Purchase Agreement between Reliable Elevators of Los Angeles and Schindler Elevator Corporation.
- 2) Authorize the Mayor to sign the Acquisition Letter, the City Clerk to attest and the City Attorney to approve to Form.

FUNDING - Not applicable

BACKGROUND

On October 28, 2008, City Council approved a three year contract with Reliable Elevators of Los Angeles (C2008-206) for maintenance of elevators in City buildings with an option to renew annually for additional two years at the City's discretion.

Under the maintenance contract there are fifteen (15) elevators in City buildings serviced on a monthly basis. The scope of work includes but not limited to: inspecting, cleaning, and lubricating various elevator components such as: the elevator controllers and motors, hoist way door hangars, safety eyes, alarm bell, hydraulic equipment, and guide rails.

ANALYSIS

On September 23, 2010, City staff received notification of an asset purchase agreement between Reliable Elevator of Los Angeles and Schindler Elevator Corporation whereby Schindler would acquire certain assets of Reliable Elevator.

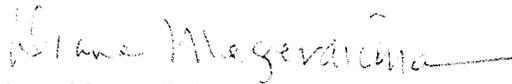
As part of the asset purchase agreement between the two companies, the City's contract terms and conditions will remain unchanged and the current Reliable Elevator personnel will remain on for the duration of the contract.

Staff worked with the City Attorney's office regarding the acquisition and review of the attached letter (Attachment A) and concluded that the City can approve of the transfer and assignment of the maintenance contract with City Council's approval.

Therefore, City staff is requesting approval for the transfer and assignment of the existing elevator maintenance contract (C2008-206) with Reliable Elevator of Los Angeles to Schindler Elevator Corporation, with request of the Mayor to sign the attached letter, City Clerk to attest and City Attorney to approve to form.

Respectfully submitted,

SHERYL BALLEW
General Services Director

By 
Diane Megerdichian
Business Manager

CONCUR:


Sheryl Ballew
General Services Director


LeRoy J. Jackson
City Manager

Attachment A: Reliable Elevator Assignment Letter



7711 Amigos Ave. Suite E, Downey, CA 90242 • Phone: (562) 803-0500 • Fax: (562) 803-0599

September 23, 2010

City of Torrance
Dept. of General Services
3031 Torrance Blvd.
Torrance CA 90503

Attention: Jon Landis, Facilities Services Manager

RE: C2008-206 Contract for Maintenance of Elevators in City Buildings

Dear Mr. Landis,

Reference is made to the **C2008-206 Contract for Maintenance of Elevators in City Buildings** (the "Maintenance Contract"), by and between Reliable Elevator of Los Angeles Inc. ("Reliable") and The City of Torrance (the "Customer").

As we have discussed, Reliable has entered into, or intends to enter into, an Asset Purchase Agreement (the "Purchase Agreement"), by and between Reliable and Schindler Elevator Corporation ("Schindler"), pursuant to which Schindler will acquire certain assets related to the business of Reliable (the "Acquisition").

As we have further discussed, the Customer consents to the transfer and assignment of the Maintenance Contract to Schindler pursuant to the Acquisition, and the Customer and Reliable agree that upon the consummation of the Acquisition, Schindler shall succeed to all of Reliable's rights and obligations arising after the closing of the Acquisition under the Maintenance Contract, **without any modification thereto.** The Account Representative, Jevon Hadley, and the Superintendent, Lance Green, will remain for the duration of the contract.

Please indicate the Customer's agreement to the foregoing by signing in the space provided below, and returning a signed copy of this letter to me by facsimile and regular mail at the above address.

Please call me if you have any questions.

Very truly yours,

RELIABLE ELEVATOR OF LOS ANGELES INC.

CITY OF TORRANCE,
A Municipal Corporation

By: _____

Name: Jevon Hadley
Title: Account Manager

Frank Scotto, Mayor

APPROVED AS TO FORM:

ATTEST:

John L. Fellows III
City Attorney

Sue Herbers, City Clerk