



Wes Moore, Governor · Aruna Miller, Lt. Governor · Atif Chaudhry, Secretary

**Intergovernmental Cooperative Purchasing Agreement
Procurement Officer Determination
COMAR 21.05.09.04**

Per COMAR 21.05.09.02, as a Primary Procurement Unit, the DGS Office of State Procurement (OSP) may initially sponsor or participate in, renew, modify, or administer an Intergovernmental Cooperative Purchasing Agreement (ICPA) on its own behalf or on behalf of another agency when a determination is made under SFP §13-110 and COMAR 21.05.09.04.

In accordance with COMAR 21.05.09.03B, “A primary procurement unit may purchase its requirements from another government entity’s contract if that contract is an intergovernmental cooperative purchasing agreement and is available for use by the primary procurement unit.” As the DGS OSP Procurement Officer, I have determined that issuing an indefinite delivery indefinite quantity contract based on Omnia Partners (Omnia) contract EV2516 to KONE, Inc. (KONE) for elevator and escalator maintenance and services is in the best interest of the State based upon the reasons stated below.

The proposed contract pricing meets the requirements of the ICPA under COMAR 21.05.09.01B(2)(a). The process to directly solicit such a contract would take a significantly longer period of time than participating in the completed ICPA, particularly since a competitive bid process has already been completed by Omnia. Additionally, the amount of time in the award process is reduced and this method promotes administrative efficiencies and provides cost benefits to the State as it relates to COMAR 21.01.01.03. The State will enter into an IDIQ Requirements type contract, with all State and Local government agencies placing orders against this awarded contract; therefore, the total contract value will be determined by the work orders. However, the estimated spend on the contract is around \$500,000 per year. This statewide contract is intended to decrease the occurrence of emergency or small procurements when sudden elevator or escalator maintenance and services are needed.

The Omnia contract was awarded December 1, 2018 and was approved for a six (6) year term through November 30, 2024, with five (5) one-year renewal options, at the discretion of Omnia. The State of Maryland renewals will be based on the master contract terms and conditions, market research that will be conducted at the time of the renewal and at the discretion of the Omnia purchasing officer that issued the Request for Proposal (RFP) that resulted in the ICPA. Awarding this ICPA will provide a contract for State facilities within the State of Maryland through November 30, 2024 with five potential one-year renewal options through November 30, 2028.

The solicitation was issued on May 1, 2018 and publicly opened on June 8, 2018. A contract was awarded to KONE as the authorized vendor. KONE was determined to be qualified based on their ability to provide elevator and escalator maintenance and services. This vendor fully met and complied with all specification and requirements of the solicitation, in accordance with the

evaluation criteria of the RFP.

DGS and other agencies will receive fair and reasonable prices that were competitively bid and the proposed contract pricing meets the requirement of the ICPA under COMAR 21.05.09.01B (2)(a). Hourly rates across four major categories were compared (mechanics, apprentices, adjustors and repair teams) to existing ICPA contracts and current Statewide rates. Pricing across these categories as proposed by KONE were all found to be nearly 50% less than other vendors that provide these services. Additionally, KONE provides services that the other vendors do not, such as an adjustor and team maintenance.

Therefore, based upon this independent analysis, I have determined that it is in the best interest of the State to participate in this intergovernmental cooperative purchasing agreement and issue an IDIQ contract to KONE, Inc. of Kansas City, MO as awarded on the Omnia Partners contract EV2516, and that doing so will provide cost benefits to the State, promote administrative efficiencies or promote intergovernmental cooperation, and is not intended as a means to evade the purposes set forth under COMAR 21.01.01.03 and request approval of the primary procurement unit head per COMAR 21.05.09.05.

Matthew Smith

Jul 5, 2023

Matthew Smith, Procurement Officer, DGS OSP / Date

Mike Haifley

[Mike Haifley \(Jul 5, 2023 12:51 EDT\)](#)

Jul 5, 2023

Mike Haifley, Acting Chief Procurement Officer / Date

Atif Chaudhry

Jul 6, 2023

Atif Chaudhry, Secretary DGS / Date

DGS OSP ICPA POD - Elevator & Escalator Maintenance KONE 7.5.23

Final Audit Report

2023-07-06

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