

**Metro**

Los Angeles County
Metropolitan Transportation Authority

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**SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE
MARCH 19, 2015**

**SUBJECT: ELEVATOR/ESCALATOR MAINTENANCE AND REPAIR SERVICES
SYSTEM-WIDE (EXCLUDING GATEWAY BUILDING)**

ACTION: EXERCISE OPTION YEAR TWO

RECOMMENDATION

Authorize the Chief Executive Officer to execute Contract Modification No. 4 to Contract No. OP85102554, with Mitsubishi Electric & Electronics USA, Inc. (Mitsubishi), for elevator/escalator maintenance and repair services throughout the Metro transit system facilities (excluding Gateway Building), to exercise option year two for the amount of \$8,702,716.

This contract amount consists of \$27,271,675 for the three-year base period, \$8,402,964 for the first option year and \$8,702,716 for the second option year, for a combined total of \$44,377,355.

ISSUE

Contract No. OP85102554 currently provides maintenance and repair services to 146 elevators and 137 escalators system-wide. The current contract with Mitsubishi is in its first option year performance period through May 31, 2015. The contractor has been providing satisfactory maintenance and as-needed repair services.

To continue providing the necessary maintenance and repair services to the elevators and escalators system-wide, a contract modification is required to exercise option year two extending the period of performance through May 31, 2016.

DISCUSSION

This contract requires the contractor to provide elevator/escalator maintenance and as-needed repair services system-wide. A systematic preventive maintenance program and timely repair of the equipment is necessary to ensure meeting the State code requirements and providing safe and reliable vertical transportation system to our patrons.

The elevators and escalators throughout Metro transit system play a vital role in transporting riders system-wide and providing access to mobility impaired patrons. To sustain high levels of equipment availability and reliability, and to minimize equipment downtime and its impact on riders, a high level of service is required.

More demands are placed on the maintenance contractor as we strive to improve the service levels and accommodate Metro transit system expansion to deliver safe, quality and reliable services to our patrons.

DETERMINATION OF SAFETY IMPACT

The approval of this item will provide a system-wide continuity of elevator and escalator maintenance and repair services in an effort to continue delivering safe, on-time, and reliable transportation system to our patrons.

FINANCIAL IMPACT

Funding of \$892,367 for this modification is included in the FY15 budget in cost center 3367 – Facilities Property Maintenance, projects 306002 (Bus Operations), 300022 (Blue Line Operations), 300033 (Green Line Operations), 300044 (Red Line Operations), 300055 (Gold Line Operations), 301012 (Orange Line Operations) and 300066 (Expo Line).

Since this is a multi-year contract, the cost center manager, project managers, and Executive Director, Maintenance will ensure that the balance of funds are budgeted in future years.

Impact to Budget

The source of funds for this procurement will come from federal, state and local funding sources that are eligible for Bus and Rail Operating or Capital Projects. These funding sources will maximize the use of funds for these activities.

ALTERNATIVES CONSIDERED

Staff considered providing this service through Metro in-house staff. This would require the hiring of state certified technical personnel, the purchase of parts, equipment, vehicles, supplies, and the acquisition of warehouse space to house large parts inventory. Establishing an in-house maintenance capability would require years to develop and it would be very challenging that Metro would be able to consistently attract, train, and retain a sufficient number of certified employees to perform the work in this industry's competitive market. Staff's assessment indicates that this is not a cost-effective option for Metro.

NEXT STEPS

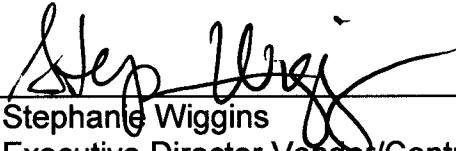
Upon Board approval, staff will execute a contract modification with Mitsubishi, under the current Contract No. OP85102554, exercising Option Year Two, effective June 1, 2015, providing timely repair and preventative maintenance services for the elevators and escalators system-wide.

ATTACHMENTS

- A. Procurement Summary
- B. Contract Modification/Change Log

Prepared by: Brady Branstetter, Director, Facilities Maintenance
Lena Babayan, Facilities Maintenance Manager

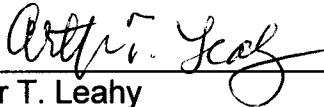
Questions: Christopher Reyes, Senior Administrative Analyst, Operations
(213) 922-4808



Stephanie Wiggins
Executive Director Vendor/Contract
Management



Robert Holland
Interim Chief Operations Officer



Arthur T. Leahy
Chief Executive Officer

PROCUREMENT SUMMARY

ELEVATOR/ESCALATOR MAINTENANCE AND REPAIR SERVICES
CONTRACT OP85102554

1.	Contract Number: OP85102554		
2.	Contractor: Mitsubishi Electric & Electronics USA		
3.	Mod. Work Description: Elevator/Escalator Maintenance and Repair Services		
4.	Contract Work Description: Elevator/Escalator Maintenance and Repair Services		
5.	The following data is current as of: February 6, 2015		
6.	Contract Completion Status		Financial Status
	Contract Awarded:	June 1, 2011	Contract Award Amount: \$27,271,675
	Notice to Proceed (NTP):		Total of Modifications Approved: \$8,546,983.92
	Original Complete Date:	May 31, 2016	Pending Modifications (including this action): \$8,702,716
	Current Est. Complete Date:	May 31, 2016	Current Contract Value (with this action): \$44,521,374.92
7.	Contract Administrator: Tamara Reid		Telephone Number: 213.922.7215
8.	Project Manager: Matthew Rubi		Telephone Number: 213.922.6773

A. Procurement Background

This Board Action is to approve Contract Modification No. 4 issued in support of elevator/escalator maintenance and repair services throughout the Metro transit system facilities (excluding the Gateway Building).

This contract modification will be processed in accordance with Metro's Acquisition Policy and the contract type is a Firm Fixed Unit Price.

On January 20, 2011, Contract No. OP85102554, Item #23, was approved by the Metro Board. The Contract provides the necessary maintenance and repair services to elevators and escalators system-wide. The Contract was issued on June 1, 2011, to Mitsubishi Electric & Electronics USA. The Contract value is for a 3 Year Base in the amount of \$27,271,675 with Option Year 1 in the amount of \$8,402,964 and Option Year 2 in the amount of \$8,702,716, for a total of \$44,521,374.92.

Refer to Attachment B – Contract Modification/Change Order Log.

B. Cost/Price Analysis

Contract No. OP85102554 Option Year 2 was fully negotiated at the time of contract award authorization. The services provided by Mitsubishi are covered by the National Elevator Bargaining Association Agreement with the International Union of Elevator Constructors. A comparative analysis of the current Agreement labor rates and the negotiated contract labor rates found that the contract labor rates for Option Year 2 are on average consistent with the current Agreement labor rates. Additionally, the negotiated increase for Option Year 2 is 3.2% over last year, which is below the industry average of 3.3% which was taken from the most recent (December 2014) U.S. Department of Labor, Bureau of Labor Statistics, Employment Cost Index for private industry employees with Union bargaining status. For these reasons, the Option Year 2 pricing for Contract No. OP85102554 is considered fair and reasonable.

Proposed Amount	Metro ICE	Negotiated Amount
\$8,702,716	\$8,702,716	\$8,702,716

C. Small Business Participation

Mitsubishi Electric & Electronics USA, Inc. has a Disadvantaged Business Enterprise Anticipated Level of Participation (DALP) commitment of 1.08%. The project is 63.02% complete. Mitsubishi’s current DBE/DALP participation is 1.33%, which exceeds their DALP commitment.

SMALL BUSINESS COMMITMENT	DBE/DALP 1.08%	SMALL BUSINESS PARTICIPATION	DBE/DALP 1.33%
	DBE Subcontractors	Ethnicity	% Committed
1.	Elite Escalator, Inc.	Non-Minority	1.08%
		Totals	1.08%
			1.33%

Current Participation = Total Actual amount Paid-to-Date to Subs + Total Actual Amount Paid-to-date to Prime

D. Living Wage and Service Contract Worker Retention Policy Applicability

The Living Wage and Service Contract Worker Retention Policy is not applicable to this modification.

CONTRACT MODIFICATION/CHANGE LOG
ELEVATOR/ESCALATOR MAINTENANCE AND REPAIR SERVICES
CONTRACT NO. OP85102554

Mod. no.	Original Contract	(Date)	(Contract Total)
1	Additional work added to the Statement of Work	January 23, 2014	\$144,019.92
2	Change vendor name	January 28, 2014	\$0
3	Exercise Option Year #1	June 1, 2014	\$8,402,964
4	Pending Board Approval		\$8,702,716
	Total:		\$17,249,699.92

