



Metropolitan
Transportation
Authority

One Gateway Plaza
Los Angeles, CA
90012-2952

SUBJECT: CONTRACT NO. PS64301426, GATEWAY ELEVATOR AND ESCALATOR SERVICES, MITSUBISHI ELECTRIC & ELECTRONICS USA, INC.

ACTION: AWARD A CONTRACT

RECOMMENDATION

Authorize the Chief Executive Officer to award a five-year firm fixed price contract, Contract No. PS64301426, to Mitsubishi Electric & Electronics USA, Inc. for Gateway elevator and escalator services in an amount not to exceed \$1,208,796, inclusive of two one-year options, effective December 1, 2003.

RATIONALE

There are four escalators and nineteen elevators installed in the Gateway Building. For the safety of all staff and visitors to the Gateway headquarters building, it is essential that the elevators function properly at all times.

Additionally, proper maintenance of elevators and escalators is required by City of Los Angeles building safety codes, and Title 8 of the California Code of Regulations, specifically Chapter 4, Subchapter 6, "Elevator Safety Orders", Article 2, §3001. According to these laws, only certified, trained mechanics can perform elevator and escalator maintenance and repair services.

As a result of a competitive solicitation, the current service provider, Mitsubishi Electronics America, Elevator/Escalator Division was awarded a five year contract. That contract is scheduled to expire on November 30, 2003.

FINANCIAL IMPACT

The funding of \$200,000 for this service is included in the FY04 budget in cost center 6430, Building Services under 100001, overhead. Since this is a multi-year contract, the cost center manager and Executive Officer will be accountable for budgeting the cost in future years, including any option exercised. In FY03, \$172,000 was expended on elevator and escalator maintenance and repair service.

ALTERNATIVES CONSIDERED


An alternative would be for MTA staff to provide the maintenance and repair services. This option is not feasible because according to state and city laws, only trained and certified mechanics can provide that service. Currently, MTA staff are not trained and certified for this work.

ATTACHMENTS

Procurement Summary

1. Attachment A
2. Attachment A-1
3. Attachment A-2

Prepared by: Brian Soto, Director, General Services



Don Ott
Executive Officer, Administration



Roger Snoble
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

GATEWAY ELEVATOR AND ESCALATOR SERVICES

1.	Contract Number: PS64301426		
2.	Recommended Vendor: Mitsubishi Electric & Electronics USA, Inc.		
3.	Cost/Price Analysis Information:		
	A. Proposed Price: \$1,208,796	Recommended Price: \$1,208,796	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: Firm Fixed Price for Monthly Maintenance		
5.	Procurement Dates:		
	A. Issued: June 18, 2003		
	B. Advertised: June 17, 2003		
	C. Pre-Proposal Conference: June 25, 2003		
	D. Bids/Proposals Due: July 24, 2003		
	E. Pre-Qualification Completed: August 11, 2003		
	F. Conflict of Interest Form Submitted to Ethics: August 6, 2003		
6.	Small Business Participation:		
	A. Bid/Proposal: DBE 10 % B. Small Business Commitment DBE 14%	C. Date Small Business Evaluation Completed: August 8, 2003	
7.	Invitation for Bid/Request for Proposal Data:		
	Notification Sent: 43	Proposals Picked Up: 6	Proposals Received: 2
8.	Evaluation Information:		
	Bidders/Proposers Names:	Proposal Amount:	Best and Final Offer:
	Mitsubishi Electric	\$1,208,796	N/A
	Kone Inc.	\$1,318,597	
9.	Protest Information:		
	A. Protest Period End Date: September 23, 2003		
	B. Protest Receipt Date: TBD		
	Disposition of Protest Date: TBD		
10.	Contract Administrator: Ken Takahashi	Telephone Number: 922-1047	
11.	Project Manager: Phyllis Meng	Telephone Number: 922-2375	

**BOARD REPORT ATTACHMENT A-1
PROCUREMENT SUMMARY**

GATEWAY ELEVATOR AND ESCALATOR SERVICES

A. Background of Contractor

Mitsubishi Electric & Electronics USA, Inc. (Mitsubishi) is one of the world's largest marketers of electronic technologies. The elevator division was established in 1931 in Japan and now has expanded to over sixty-five countries worldwide. Currently, they have approximately 5,000,000 units under contract worldwide. Mitsubishi Electronics American Elevator and Escalator Division opened in the USA in 1985 with branch offices in San Francisco and Los Angeles. Mitsubishi's National Headquarters is located in the City of Cypress in Orange County, California. They had sales of over \$4 billion for elevator and escalator sales and maintenance making them one of the world's largest companies.

Mitsubishi is the current MTA contractor for Gateway elevator and escalator services and has been providing satisfactory service. Mitsubishi has established an MTA "branch" with an onsite office and project manager to better serve the MTA needs. Resources assigned to the MTA cannot be utilized for other accounts unless there is an emergency.

B. Procurement Background

Request for Proposals (RFP) Number PS64301426 for Gateway Elevator and Escalator Services was advertised and released on June 17, 2003 and June 18, 2003, respectively. The RFP was issued as a technically qualified, lowest price type. Forty-three firms were sent postcards notifying them of the procurement and a pre-proposal conference was held on June 25, 2003. Six firms obtained copies of the solicitation. Mitsubishi and Kone, Inc. submitted proposals on July 24, 2003. The evaluation criteria contained in the RFP consisted of pass/fail criteria, which were based upon experience with past contractors. The contract term was for a potential period of five years.

The Diversity and Economic Opportunity Department (DEOD) recommended a ten percent DBE goal for this procurement. The awardee, Mitsubishi Electric & Electronics, committed to a DBE Participation Goal of 14%.

C. Evaluation of Proposal

The proposals were evaluated by a Source Selection Committee to ensure responsiveness to the RFP and that the proposer met the requirements of the RFP. Both Mitsubishi and Kone met the technical requirements of the RFP, however, Mitsubishi submitted the lower price. The Pre-Qualification Department has approved Mitsubishi and their subcontractor, Plummer's Elevator Service.

D. Cost/Price Analysis and Explanation of Variances

The recommended price of \$1,208,796 has been determined to be fair and reasonable based upon adequate competition and price analysis performed by the Contract Administrator. The independent estimate for this procurement, which was prepared by the Project Manager, was \$1,054,500.

**BOARD REPORT ATTACHMENT A-2
LIST OF SUBCONTRACTORS**

GATEWAY ELEVATOR AND ESCALATOR MAINTENANCE

Prime Contractor: Mitsubishi Electric & Electronics USA, Inc.

Subcontractor: Plummers Elevator Service

Total Commitment: 14 %

