



**OPERATIONS COMMITTEE
MARCH 17, 2005**

SUBJECT: ELEVATOR ESCALATOR MAINTENANCE

ACTION: APPROVE CONTRACT MODIFICATION

RECOMMENDATION

Authorize the Chief Executive Officer to execute a Contract Modification to Contract OP33443130 with Mitsubishi Electric & Electronics USA, Inc., to provide elevator/escalator repair and maintenance services for transit facilities in the amount not to exceed \$1,121,662, inclusive of a 15 percent contingency, increasing the Total Contract Value from \$12,469,660 to \$13,591,322.

RATIONALE

Mitsubishi Electric provides maintenance and repair services for the entire stock of Metro transit system elevators and escalators. There are 128 elevators and 126 escalators that are currently in operation in Metro Bus and rail stations and facilities. Regular maintenance and repair services of elevators and escalators are required per State elevator/escalator safety code. In support of its mission for the continued improvement of an efficient and effective transportation system for Los Angeles County, Metro must provide a safe, reliable, clean and accessible public transportation system. Properly maintained and functioning elevators and escalators are an integral component of such a system. In order to provide reliable elevator/escalator service for the riding public, a systemic and planned maintenance of the equipment is necessary.

This five-year contract is in its final year and will expire on October 31, 2005. However, the contract's Board authorized amount is sufficient to cover services through only the end of FY05, June 30, 2005. An additional authorization of \$1,121,662 is needed to meet contract obligations and fulfill additional equipment maintenance and repair requirements. The shortfall in the contract's authorized amount resulted partially from adding the Gold Line units in 2003. In addition, major expense repair jobs were performed under the contract as change orders to keep the equipment in safe and reliable condition. These repairs, which were not part of the basic contract services, included a major overhaul of a water damaged escalator at Civic Center Station, a code-mandated damaged step tread repairs, task orders to replace failed hydraulic jack/cylinders and hydraulic fluid lines for four Red Line elevators, and task orders replacing corroded elevator floors due to urination. This additional request will also cover additional planned escalator step tread repairs that are mandated by Cal-OSHA, additional floor replacement work, and elevator cylinder replacement work

IMPACTS TO OTHER CONTRACTS

None

FINANCIAL IMPACT

Funding of \$4,016,000 for this service is included in the FY06 budget request for cost center 3344, Contracts & Administration under project 300011 (Bus Operations), 300022 (Blue Line Operations), 300033 (Green Line Operations), 300044 (Red Line Operations) and 300055 (Gold Line Operations). The additional \$1,121,662 requested for this contract modification is included in the FY06 budget request. Since this is a multi-year contract, the cost center manager and Deputy Chief Executive Officer will be accountable for budgeting the cost in FY06. In FY04, \$2,795,102 was expended on this service.

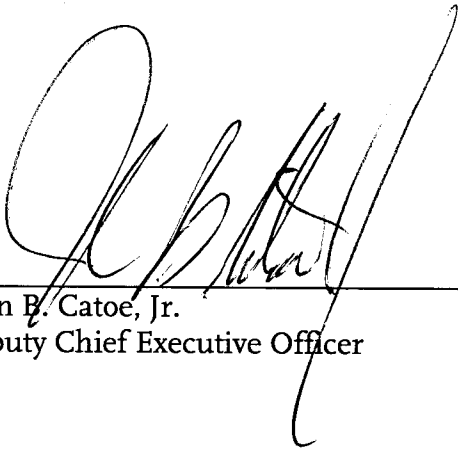
ALTERNATIVES CONSIDERED

One alternative considered is to provide the service in-house. This would require the hiring of additional personnel and the purchase of additional equipment, vehicles and supplies. Staff's analysis indicates that this is not a cost-effective option for.

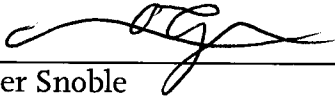
ATTACHMENTS

- A. Procurement Summary
- A-1 Procurement History
- A-2 List of Subcontractors

Prepared by: Denise Longley, Deputy Executive Officer, Facilities/Operations
Hussein Farah, Facilities Maintenance Manager
Victor Ramirez, Contract Administration Manager



John B. Catoe, Jr.
Deputy Chief Executive Officer



Roger Snoble
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

ELEVATOR ESCALATOR MAINTENANCE

1.	Contract Number: OP33443130		
2.	Recommended Vendor: Mitsubishi Electric & Electronics USA, Inc.		
3.	Cost/Price Analysis Information:		
	A. Bid/Proposed Price: \$N/A	Recommended Price: \$N/A	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: Firm Fixed Unit Rate and Fixed Labor Rate		
5.	Procurement Dates:		
	A. Issued: N/A		
	B. Advertised: N/A		
	C. Pre-proposal Conference: N/A		
	D. Proposals Due: N/A		
	E. Pre-Qualification Completed: N/A		
	F. Conflict of Interest Form Submitted to Ethics: September 2000		
6.	Small Business Participation:		
	A. Bid/Proposal Goal: 8.0% DBE	Date Small Business Evaluation Completed: September 6, 2000	
	B. Small Business Commitment: 9.52% Details are in Attachment A-2		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: N/A	Bids/Proposals Picked up: N/A	Bids/Proposals Received: N/A
8.	Evaluation Information:		
	A. Bidders/Proposers Names: N/A	<u>Bid/Proposal Amount:</u> \$ N/A	<u>Best and Final Offer Amount:</u> \$ N/A
	B. Evaluation Methodology: Details are in Attachment A-1.C		
9.	Protest Information:		
	A. Protest Period End Date: N/A		
	B. Protest Receipt Date: N/A		
	C. Disposition of Protest Date: N/A		
10.	Contract Administrator: Victor Ramirez	Telephone Number: 213 922-1059	
11.	Project Manager: Hussein Farah	Telephone Number: 213 922-8877	

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

ELEVATOR ESCALATOR MAINTENANCE

A. Background on Contractor

Mitsubishi Electric & Electronics USA, Inc. Elevator/Escalator Division is headquartered in Cypress, California. Mitsubishi's Elevator/Escalator Division specializes in the maintenance and repair of various manufacturers' makes of elevators and escalators.

Mitsubishi also performs these services for the City and County of San Diego, the Jet Propulsion Laboratories in Pasadena, CA, The Irvine Company, Irvine CA, and all Target Department Store facilities in the United States.

Mitsubishi's performance under Contract OP33443130, awarded in October 2000, has been satisfactory to date.

B. Procurement Background

On October 26, 2000 the Board authorized approval of a contract with Mitsubishi Electric & Electronics USA, Inc. Elevator/Escalator Division to provide regular and as-needed services for all Metro transit facilities elevators and escalators for a period of five (5) years, inclusive of two (2) one year options in an amount not-to-exceed \$10,144,660, inclusive of a 10% contingency for as-needed services.

In August 2002 the Board authorized an increase in the contingency to cover as-needed work in the amount of \$2,325,000, to address \$757,500 in additional maintenance and repair services and \$1,567,500 for escalator upgrades

Five Contract Modifications have been issued to date for repairs to existing equipment for a total of \$1,520,632. They included \$310,000 for the replacement of a "bull" gear at the Civic Center escalator (#202), \$158,338 for damages to the escalator at Wilshire/Vermont Station due to an auto accident and for preventative maintenance of four (4) new elevators added to the system as part of Metro Redline Segment 3, \$531,135 for the upgrade of all system-wide escalators to include safety brushes, \$236,159 for system-wide step tread repairs, and \$285,000 to replace water damaged components for the escalator at Civic Center. The remaining \$804,368 in Board approved contingency was expended on task order repairs that total less than \$40,000 per repair and to include routine maintenance for the Metro Gold Line units.

C. Evaluation of Proposals

Not Applicable

D. Cost/Price Analysis Explanation of Variances

The original recommended Contract price was determined to be fair and reasonable based upon fact finding, and clarification. Management Audit Service also performed a pre-award audit on the contractor's original proposal.

This contract has firm fixed priced hourly rates for as needed maintenance and repair for each year of the 5-year term of this contract. All established rates of the contract would be used to define the actual cost of any additional and future work.

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

ELEVATOR ESCALATOR MAINTENANCE

PRIME CONTRACTOR – Mitsubishi Electric & Electronics USA, Inc.

SMALL BUSINESS PARTICIPATION (OP-3344-3130)

This Contract has a Disadvantaged Business Enterprise (DBE) participation commitment of 10.02%. The Contract was awarded on October 26, 2000 and is approximately 89% complete. Current DBE attainment¹ based on the contract amount² is 6.53% and current DBE participation³ based on total actual amount paid-to-date to the Contractor and total actual amount paid-to-date to the DBE firm is 7.10%.

The originally listed DBE subcontractor has performed on the contract as listed.

Original Award Amount	\$ 10,144,600
Current Contract Amount²	\$ 12,469,660
Total Actual Amount Paid to Date to Prime	\$ 10,776,721

Subcontractor's Name	Commitment	Current Attainment	Current Participation	Current Status
Plummer Elevator Service	10.02%	6.53%	7.10%	Performing
TOTAL	10.02%	6.53%	7.10%	Performing

¹Current Attainment = Total Actual Amount Paid-to-Date to DBE Subs ÷ Total Current Contract Amount

²Current Contract Amount = Original Contract Value + Contract Cost Modifications

³Current Participation = Total Actual Amount Paid-to-Date to DBE Subs ÷ Total Actual Amount Paid-to-Date to Prime

