



**Metro**

Metropolitan Transportation Authority

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**25**

**OPERATIONS COMMITTEE  
OCTOBER 16, 2008**

**SUBJECT: CONTRACT NO. PS0864302173, METRO GATEWAY  
HEADQUARTERS BUILDING ELEVATOR AND ESCALATOR  
SERVICES**

**ACTION: AWARD A FIVE YEAR CONTRACT TO MITSUBISHI ELECTRIC &  
ELECTRONICS USA, INC., ELEVATOR AND ESCALATOR  
DIVISION**

**RECOMMENDATION**

Authorize the Chief Executive Officer to award a five-year firm fixed price contract, Contract No. PS0864302173, to Mitsubishi Electric & Electronics USA, Inc., Elevator and Escalator Division for Gateway Headquarters building elevators and escalators services in the amount not to exceed \$2,098,317, inclusive of two one-year options, effective December 1, 2008.

**RATIONALE**

There are four escalators and nineteen elevators in the Metro Gateway Headquarters Building. For the safety of all staff and visitors to the 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, 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 the competitive solicitation, the current service provider, Mitsubishi Electric & Electronics USA, Inc., Elevator and Escalator Division was awarded a five year contract. That contract is scheduled to expire on November 30, 2008.

## **FINANCIAL IMPACT**

Funding of \$224,000 for this service is included in the FY09 budget in cost center 6430, Building Services under 100090, Gateway Building Costs. Since this is a multi-year contract, the cost center manager and Chief Administrative Services Officer will be accountable for budgeting the cost in future years, including any option exercised. In FY08, \$280,281 was expended on Gateway Headquarters elevator and escalator maintenance and repair services.

## **ALTERNATIVES CONSIDERED**

An alternative would be for 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 this service. Currently, staff is 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, Deputy Executive Officer, General Services



Lonnie Mitchell  
Chief Administrative Services Officer



Roger Snoble  
Chief Executive Officer

**BOARD REPORT ATTACHMENT A  
PROCUREMENT SUMMARY**

**METRO GATEWAY HEADQUARTERS ELEVATOR AND ESCALATOR SERVICES**

1.	Contract Number: PS0864302173		
2.	Recommended Vendor: Mitsubishi Electric & Electronics USA, Inc.		
3.	Cost/Price Analysis Information:		
	A. Proposed Price: \$2,098,317	Recommended Price: \$2,098,317	
	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 30, 2008		
	B. Advertised: June 30, 2008		
	C. Pre-Proposal Conference: July 9, 2008		
	D. Bids/Proposals Due: August 15, 2008		
	E. Pre-Qualification Completed: September 1, 2008		
	F. Conflict of Interest Form Submitted to Ethics: September 11, 2008		
6.	Small Business Participation:		
	A. Bid/Proposal: DALP 10 % B. Small Business Commitment – DBE 10%	C. Date Small Business Evaluation Completed: September 15, 2008	
7.	Invitation for Bid/Request for Proposal Data:		
	Notification Sent: 3	Proposals Picked Up: 11	Proposals Received: 2
8.	Evaluation Information:		
	Bidders/Proposers:	Proposal Amount:	Best and Final Offer:
	Mitsubishi Electric & Electronics USA, Inc. (32 hr)	\$2,098,317 (32 hr)	\$2,098,317 (32 hr)
	Mitsubishi Electric & Electronics USA, Inc. (40 hr)	\$2,566,409 (40 hr)	\$2,981,695 (40 hr)
	KONE Inc.	\$2,174,375 (24 hr)	\$2,926,324 (40hr)
9.	Protest Information:		
	A. Protest Period End Date: October 10, 2008		
	B. Protest Receipt Date: TBD		
	Disposition of Protest Date: TBD		
10.	Contract Administrator: Veronica Hargrove	Telephone Number: 922-2718	
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 65 countries worldwide. Currently, they have approximately 5,000,000 units under contract worldwide. Mitsubishi's 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, California. Mitsubishi is the current contractor for Gateway Headquarters elevator and escalator services and has been providing satisfactory service.

**B. Procurement Background**

Request for Proposals (RFP) Number PS0864302173 for Gateway Elevator and Escalator Services was advertised and released on June 30, 2008. The RFP was issued as a most advantageous with price factored type. Three firms were sent notification of the procurement and a pre-proposal conference was held on July 9, 2008. Eleven firms obtained copies of the solicitation. Mitsubishi and Kone, Inc. submitted proposals on August 15, 2008. The evaluation criteria contained in the RFP consisted of minimum pass/fail criteria and more detailed criteria for evaluation, 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 10% Disadvantaged Business Enterprise Anticipated Level of Participation (DALP) goal for this procurement. The recommended firm, Mitsubishi, has committed to a DALP Participation Goal of 10%.

**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 minimum technical requirements of the RFP and were further evaluated. After resolving clarifications, a best and final offer requiring a minimum of 32-hours of on-site coverage per week was issued. After completion of the evaluation, Mitsubishi was found to have

submitted the most advantageous proposal after consideration to technical qualifications and price.

The Pre-Qualification Department approved Mitsubishi's pre-qualification validation form on July 30, 2008.

D. **Cost/Price Analysis and Explanation of Variances**

The recommended price of \$2,098,317 has been determined to be fair and reasonable based upon adequate competition and price/cost analysis performed by the Contract Administrator.

**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: 10%

