



Board Report

File #: 2020-0591, **File Type:** Contract

Agenda Number: 19.

**EXECUTIVE MANAGEMENT COMMITTEE
OCTOBER 15, 2020**

**SUBJECT: GATEWAY HEADQUARTERS BUILDING AND UNION STATION EAST PORTAL
ELEVATOR AND ESCALATOR MAINTENANCE**

ACTION: APPROVE CONTRACT AWARD

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award a firm fixed unit rate Contract No. OP1680130003367 to provide inspections, comprehensive preventative maintenance and repairs of elevators, escalators, associated systems and equipment at Gateway Headquarters Building and Union Station East Portal, with Elevators Etc. LP., for a not-to-exceed amount of \$4,539,115, effective March 1, 2021 through October 31, 2023, subject to resolution of protest(s), if any.

ISSUE

The existing contract with Mitsubishi Electric USA, Inc. (MEUS) will expire on February 28, 2021. To continue providing the regulatory and critical maintenance services to the elevators and escalators at Gateway Headquarters Building and Union Station East Portal, a new contract award is required effective March 1, 2021.

BACKGROUND

On January 23, 2014, Metro Board of Directors awarded a seven-year, firm fixed unit rate contract under RFP No. PS14643013 to MEUS, for comprehensive elevator and escalator maintenance services at Gateway Headquarters Building in an amount not to exceed \$3,852,225, effective March 1, 2014.

Upon contract inception, the contractor responsibilities included providing comprehensive elevator and escalator maintenance services on 19 elevators and four (4) escalators located in the Gateway Headquarters Building. On September 1, 2014, the elevator and escalator contracted maintenance services were expanded to include seven (7) elevators and three (3) escalators located in Union Station East Portal.

DISCUSSION

Under this new contract, the contractor is required to provide inspections, comprehensive elevator and escalator maintenance, and as-needed repair services for all 26 elevators and seven (7) escalators along with their associated systems and equipment throughout Gateway Headquarters Building and Union Station East Portal.

The scope of work has significantly expanded to include once per year cleaning of elevator pit and escalator steps at Gateway Headquarters Building, and twice per year cleaning of elevator pit and hoistway glass, as well as escalator steps' cleaning for the Union Station East Portal. The traction elevator hoistway rope and escalator brake inspection frequencies have increased to once a month, exceeding the annual inspection required by the State Code.

The contract terms have been updated to include liquidated damages and improved response time to minimize equipment downtime. The contractor is required to respond to inquiries within 15 minutes during normal hours of operations from 6:00 a.m. to 9:00 p.m., and within 60 minutes during after hours, seven (7) days a week, in order to avoid liquidated damages. Liquidated damages are also imposed for failure to repair a unit after repeated calls for the same problem and excessive equipment downtime.

A systematic preventive maintenance program, along with improved service levels and timely repair of the equipment is necessary to meet State Code regulations, comply with ADA requirements, improve units' cleanliness and provide a safe and reliable vertical transportation system for our patrons and Metro employees.

This contract term is set for a 32-month base period effective March 1, 2021 through October 31, 2023, coinciding with the expiration date of the elevator and escalator maintenance contract for the system-wide units (excluding Gateway Headquarters Building and Union Station East Portal). This will allow Metro the opportunity to consider combining the two maintenance contracts into one elevator and escalator comprehensive maintenance contract while evaluating cost effectiveness and consistency of service delivery.

The Diversity and Economic Opportunity Department (DEOD) established a 3% Small Business Enterprise (SBE) and 3% Disabled Veteran Business Enterprise (DVBE) goal for this solicitation. Elevators Etc. LP. made a 67.46% SBE and 32.54% DVBE participation commitment for this contract.

DETERMINATION OF SAFETY IMPACT

The approval of this item will provide continuity of quality elevator and escalator maintenance and repair services in an effort to continue delivering safe, on-time, and reliable access to our patrons and Metro employees.

FINANCIAL IMPACT

Budget for this effort is included in the FY21 Budget in cost center 8370 - Facilities Maintenance

Contracts and Administration, account 50308, Service Contract Maintenance, under various projects. \$567,390 is available to cover March through June 2021.

Since these are multi-year contracts, the cost center manager and Sr. Executive Officer, Maintenance and Engineering will be accountable for budgeting the costs in future fiscal years.

Impact to Budget

The current source of funding for this action are State and Local sources including sales tax and fares. Allocation of these funds to this effort maximizes their intended use given approved funding guidelines and provisions.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

This board action supports Strategic Goal 1) Provide high-quality mobility options that enable people to spend less time traveling, and Strategic Goal 2) Deliver outstanding trip experiences for all users of the transportation system. Specifically, the elevator and escalator maintenance contract for Gateway Building and Union Station East Portal ensures the continuity of meeting the State mandated regulations and critical maintenance needs necessary to provide safe, clean, timely, and reliable service.

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 inventory long lead parts and supplies. Establishing an in-house maintenance capability would require years to develop and be very challenging for Metro to consistently attract, train and retain sufficient number of certified employees to perform the work within this highly competitive industry. Staff's assessment indicates that this is not a cost-effective option for Metro.

NEXT STEPS

Upon approval by the Board, staff will execute Contract No. OP1680130003367 with Elevators Etc. LP., to provide inspection, comprehensive maintenance services and repairs for the elevators and escalators within Gateway Headquarters Building and Union Station East Portal effective March 1, 2021.

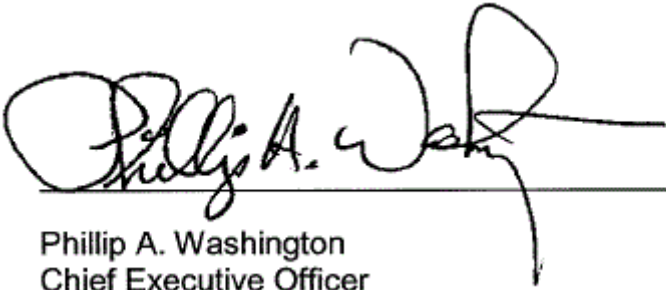
ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - DEOD Summary

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Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

GATEWAY HEADQUARTERS BUILDING AND UNION STATION EAST ELEVATOR
AND ESCALATOR MAINTENANCE / OP1680130003367

1.	Contract Number: OP1680130003367	
2.	Recommended Vendor: Elevators Etc. LP	
3.	Type of Procurement (check one): <input checked="" type="checkbox"/> RFP <input type="checkbox"/> IFB <input type="checkbox"/> IFB-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: May 28, 2020	
	B. Advertised/Publicized: May 28, 2020	
	C. Pre-proposal/Pre-Bid Conference: June 11, 2020	
	D. Proposals/Bids Due: June 30, 2020	
	E. Pre-Qualification Completed: September 15, 2020	
	F. Conflict of Interest Form Submitted to Ethics: September 4, 2020	
	G. Protest Period End Date: October 19, 2020	
5.	Solicitations Picked up/Downloaded: 12	Proposals Received: 4
6.	Contract Administrator: Rommel Hilario	Telephone Number: (213) 922-4654
7.	Project Manager: Maral Minasian	Telephone Number: (213) 922-6762

A. Procurement Background

This Board Action is to approve the award of Contract OP1680130003367 to Elevators Etc. LP to provide comprehensive preventative maintenance, servicing, repairs, cleaning, inspections and tests for the elevators, escalators and their associated systems and equipment for the Gateway Headquarters Building high-rise tower building and the adjacent Union Station East Portal. Board approval of contract awards are subject to resolution of any properly submitted protest.

On May 28, 2020, Request for Proposal (RFP) No. OP70077 was issued as a competitive procurement in accordance with Metro's Acquisition Policy. The proposed contract type is firm fixed unit rate.

Two amendments were issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on June 16, 2020, invited potential proposers to a site visit of elevators and escalators at the Union Station and extended the final date to submit questions;
- Amendment No. 2, issued on June 19, 2020, provided revised insurance requirements, prevailing wage information and copy of the sign-in sheet of the site visit.

A virtual Pre-Proposal Conference was held on June 11, 2020. The site visit was conducted on June 18, 2020 and was attended by seven participants representing four firms. There were 12 questions received and responses were provided prior to the proposal due date.

A total of four (4) proposals were received on June 30, 2020, and are listed below in alphabetical order:

1. Amtech Elevators Services
2. Elevators Etc. LP
3. Mitsubishi Electric US, Inc.
4. Schindler Elevators

B. Evaluation of Proposals

The Proposal Evaluation Team (PET), consisting of staff from General Services and Facility Maintenance departments, was convened and conducted a comprehensive evaluation of the proposals received.

Proposals were evaluated based on the following evaluation criteria stated in the RFP:

Evaluation Pass/Fail Criteria: The evaluation focused on the experience of the Prime Contractor and the project management team on preventative maintenance, service, repair, inspection, and testing of elevator and escalators of comparable diversity, age, capacity etc. Further, state issued licenses and certifications were validated.

The PET reconvened and determined that all four proposals met the Evaluation Pass/Fail Criteria and were further evaluated in accordance with the following evaluation criteria and associated weights which are consistent with criteria developed for similar elevator and escalator procurements:

- | | |
|----------------|-----|
| • Cost & Price | 35% |
| • Work Plan | 35% |
| • Experience | 30% |

Based on evaluation scores, the two highest rated firms were invited to make oral presentations and are listed below in alphabetical order:

- 1, Elevators Etc. LP
2. Mitsubishi Electric US, Inc.

On August 6, 2020, virtual oral presentations were held and the firms' project managers and key team members had an opportunity to present each team's qualifications and respond to the PET's questions.

In general, each team’s presentation described the composition of the team and the roles and responsibilities of each team member; and explained the proposed staffing in relation to Statement of Work requirements. Further, the teams were asked to discuss their plan in sourcing obsolete parts, preventive maintenance and scheduling, response plan for callbacks and trouble calls and its familiarity in the use of “LiftNet” for reporting and monitoring real-time status of elevator and escalator systems.

Summary of Firms within the Competitive Range

Elevators Etc. LP

Elevators Etc. LP (Elevators Etc.) is an International Union of Elevator Constructors (IUEC) Local 18, independent elevator and escalator company. It was established in 2012 and has been providing preventive maintenance, repair, inspection, testing and modernization of elevators and escalators throughout greater Los Angeles. Government clients include the Los Angeles World Airport (LAWA), Hollywood Burbank Airport, Ontario International Airport Authority, Los Angeles Unified School District and Orange County Superior Courts. Elevators Etc. has been certified by Metro as Small Business Enterprise (SBE) since 2014. The firm is currently the subcontractor to Mitsubishi Electric US, Inc. under Metro Contract No. OP4939100, systemwide maintenance and repair service of elevators and escalators (excluding Gateway Headquarters Building and Union Station East Portal).

Mitsubishi Electric US, Inc.

Mitsubishi Electric US, Inc. (MEUS), headquartered in Cypress California, is one of the five divisions of Mitsubishi Electric in the US. It has been serving the vertical transportation needs of buildings of all types and sizes in the United States since 1985. It is a full-service elevator company that offers elevator and escalator maintenance, repair and modernization services for both Mitsubishi and other manufacturer’s equipment. Clients include the Orange County Transportation Authority, Los Angeles Department of Water and Power, Pasadena Courthouse, Circa LA, Sunset Bronson Studios and Metro.

The following is a summary of the final scores:

1	FIRM	Average Score	Factor Weight	Weighted Average Score	Rank
2	ELEVATORS ETC. LP				
3	Cost & Price	100.0	35%	35.0	
4	Work Plan	89.4	35%	31.3	
5	Experience	92.3	30%	27.7	

6	Total		100.00%	94.0	1
7	mitsubishi electric us, inc.				
8	Cost & Price	85.7	35%	30.0	
9	Work Plan	97.4	35%	34.1	
10	Experience	93.3	30%	28.0	
11	Total		100.00%	92.1	2

C. Cost/Price Analysis

The recommended price has been determined to be fair and reasonable based on adequate competition, price analysis, technical evaluation, and fact finding. The recommended price is higher than the independent cost estimate (ICE) by \$3,520,640 or 29% because the ICE did not account for economic price adjustment.

BIDDER	AMOUNT	METRO ICE	AWARD AMOUNT
Elevators Etc. LP	\$4,539,115.00	\$3,520,640.00	\$4,539,115.00
Mitsubishi Electric US	\$5,334,585.85		

D. Background on Recommended Contractor

Elevators Etc. LP is a full service Certified Qualified Conveyance Company (CQCC) by the State of California, City of Los Angeles and other local public entities. It is headquartered in Los Angeles, CA and has been providing maintenance, repair and modernization and new construction of elevators and escalators throughout the greater Los Angeles area since 2012.

Elevators Etc. is a Metro certified Small Business Enterprise (SBE). Its team includes a DVBE subcontractor, Elevators Etc. GS, Inc. which will provide elevator and escalator repairs and provide required construction and modernization.

The proposed Project Manager is a Certified Competent Conveyance Mechanic (CCCM) and has worked in the elevator/escalator industry for over 30 years. He has significant experience working on elevators and escalators at Metro B line, Union Station and Hollywood and Highland stations.

DEOD SUMMARY

**ELEVATOR / ESCALATOR MAINTENANCE SERVICES FOR GATEWAY
HEADQUARTERS BUILDING AND UNION STATION EAST PORTAL /
OP1680130003367**

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) established a 3% Small Business Enterprise (SBE) and 3% Disabled Veteran Business Enterprise (DVBE) goal for this solicitation. Elevators Etc. LP exceeded the goal by making a 67.46% SBE commitment and a 32.54% DVBE commitment.

Small Business Goal	3% SBE 3% DVBE	Small Business Commitment	67.46% SBE 32.54% DVBE
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	SBE Subcontractors	% Committed
1.	Elevators Etc. LP (SBE Prime)	67.46%
	Total SBE Commitment	67.46%

	DVBE Subcontractors	% Committed
1.	Elevators Etc. GS	32.54%
	Total DVBE Commitment	32.54%

B. Living Wage and Service Contract Worker Retention Policy Applicability

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

C. Prevailing Wage Applicability

Prevailing Wage requirements are applicable to this project. DEOD will monitor contractors' compliance with the State of California Department of Industrial Relations (DIR), California Labor Code, and, if federally funded, the U S Department of Labor (DOL) Davis Bacon and Related Acts (DBRA).

D. Project Labor Agreement/Construction Careers Policy

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract. Project Labor Agreement/Construction Careers Policy is applicable only to construction contracts that have a construction contract value in excess of \$2.5 million.