



MAY 18, 2001

Metropolitan
Transportation
Authority

One Gateway Plaza
Los Angeles, CA
90012-2952

TO: BOARD OF DIRECTORS

FROM: COLONUS MITCHELL *Colonus Mitchell*
EXECUTIVE OFFICER PROCUREMENT

SUBJECT: STATUS OF DBE PARTICIPATION ON CONTRACT
OP33443130
ELEVATOR/ESCALATORS

ISSUE

Contract OP33443130 for Elevator/Escalator Maintenance was awarded to Mitsubishi Electric and Electronics USA, Elevator/Escalator Division (Prime) effective November 1, 2000. As a condition of award, and to ensure the Prime's compliance with the commitment to achieve 10.02% DBE participation, the MTA Board directed staff to report on the progress and demonstration to meet the DBE commitment within six months after the effective date of the contract. Section 30.0, Paragraph 30.0.E.1 of the contract documents state, "Failure to meet the DBE goal will be a basis for MTA to terminate the contractor for default as further defined by Termination for Default paragraph 19.0".

BACKGROUND

The Department of Small Business Diversity and Labor Compliance (SBD) has engaged in ongoing efforts to monitor DBE participation on this contract. Monitoring has included regular site visits to confirm that the DBE, Plummer Elevator Services, is performing the task outlined in the contract (cleaning the escalator steps), and conducting monthly reviews of the Prime's subcontractor payment reports to determine participation levels. In addition, regular communication between SBD, the Prime, the DBE firm, and the MTA Project Manager is maintained to ensure compliance to the DBE program requirements. A review of the Prime's monthly payment reports indicates compliance with the DOT's Prompt Payment provision and the Prime's ten-day prompt payment requirement. As of March 31, 2001, SBD verified with Plummer Elevator Service, receipt of payments totaling \$64,509.20.

SBD has determined that the Prime is currently in compliance with the DBE requirements of Contract OP-3344-3130. SBD anticipates that the Prime will continue to meet the DBE requirements of the contract and will achieve the 10.02% DBE goal at the end of the three-year contract period.

SMALL BUSINESS PARTICIPATION (OP 3344-3130)

Original Award Amount \$ 10,144,660
 Current Contract Amount² \$ 10,144,660
 Total Actual Amount Paid to Date to Prime \$ 578,826

Subcontractor's Name	Commitment	Current Attainment ¹	Current Participation ³	Current Status
Plummer Elevator Service	10.02%	0.64%	11.14%	Performing
TOTAL	10.02%	0.64%	11.14%	Expected to Meet Goal

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

²Current Contract Amount = Original Contract Value + Contract Cost Modifications affecting DBE or SBE Scope of Work

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

NEXT STEPS

In response to the MTA Board directive and to insure continuous compliance to the DBE requirements on the contract, another Board Box will be submitted reporting the status of DBE participation on this Contract within one (1) year.

CM:CB/01-016