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BOARD MEETING
August 15, 2002

Metropolitan
Transportation
Authority

One Gateway Plaza
Los Angeles, CA
90012-2952

SUBJECT: ELEVATOR ESCALATOR MAINTENANCE

**ACTION: AMEND CONTRACT OP33443130 WITH MITSUBISHI
ELECTRIC IN THE AMOUNT OF \$2,325,000**

RECOMMENDATION

Authorize the Chief Executive Officer to execute an amendment to Contract No. OP33443130 with Mitsubishi Electric & Electronics USA, Inc., Elevator/Escalator Division, to increase the Board Authorized Contingency for as needed change orders and to add funds for upgrade and modernization capital projects in an amount not to exceed \$2,325,000 over the remaining 41 months in the term of the contract, increasing the total contract value from \$10,144,660 to \$12,469,660.

RATIONALE

Regular and as-needed maintenance of elevators and escalators is required per State elevator/escalator safety code. The American With Disabilities Act (ADA) also requires that transit stations and other public facilities be made accessible to mobility-impaired patrons. In order to provide a safe, reliable and convenient vertical transportation system to the riding public, a systemic and planned maintenance for the equipment is necessary.

The above recommendation would increase funding for as-needed maintenance and repair services by \$757,500, and would add an additional \$1,567,500 to complete four elevator/escalator upgrade and modernization capital projects.

Mitsubishi Electric was awarded contract OP33443130 in November 2000 to provide regular and as-needed maintenance, repair and upgrade services for 123 escalators and 114 elevators that serve the MTA transit system. The \$10,144,660 contract amount included 10% contingency funds to cover as-need repair services resulting from vandalism and other events beyond the control of the contractor that are not included in basic maintenance services. It was estimated at the time of the award that such repair services would not exceed 10% of the overall contract value.

Nearly 1 1/2 years into this 5-year contract, the cost of such repair services has topped \$672,000 of the original \$922,242 amount, or approximately 72% higher than anticipated levels. These higher levels of needed repairs are the result of increased vandalism, misuse and failure of aging equipment at some of the transit sectors. In addition, the ridership of the transit system has shot up, resulting in increased elevator/escalator use and misuse.

The failure of the driving mechanism of one escalator, which had to be replaced, and the repair of another escalator following an automobile accident alone resulted in an un-anticipated repair cost of \$395,279. The MTA pursued recovery for the escalator damage from the responsible party. However, the individual carried minimal insurance and the MTA was able to recover only a fraction of the repair costs. Therefore, an increase of \$757,500 is requested to cover the increased level of as-needed repairs.

The following elevator/escalator upgrade and modernization capital projects will improve safety, reliability and compliance to state law:

1. Install escalator safety brushes on all 123 MTA transit escalators. This is to comply with a change in the elevator/escalator code which requires all escalator owners to install such brushes along the treadway to protect the riding public against potential entrapment of body parts, clothing, shoes etc. due to skirt deflection (\$700,000).
2. Install time out circuit and override key switches on Green Line and Blue Line elevators to provide a timed, lockout feature to reduce vandalism and misuse after revenue service ends each day (\$242,500).
3. Install a key operated panic button in all transit elevators to discourage tampering. The feature will reduce downtime and technician service calls (\$435,500).
4. Red Line maintenance yard tower elevator speed modification. The speed of existing unit is too slow and results in wasted yard tower dispatcher's time (\$189,500).

FINANCIAL IMPACT

Funding of \$1,011,000 for this service is included in the FY03 budget in Cost Center number 3344, under Project 300044, Task 44.7.02; Project 200220, Task 02.06.19; and Project 200340, Task 01. Since these items are for a multi-year contract, the Cost Center Manager and Deputy Chief Executive Officer will be accountable for budgeting the amount in future years. In fiscal year 2002, \$672,266 was expended on as needed maintenance and repair services.

ALTERNATIVES CONSIDERED

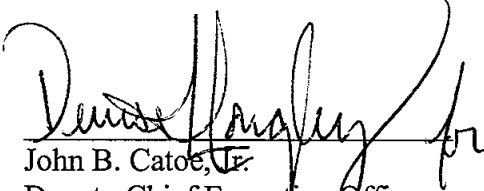
- A. An alternative not to ask for increased funding for as-need repairs is to continue spending available funding until the funds run out at which time a Board authorization for additional funding would be necessary which may result in interruption of service to system patrons while such authorization is sought in the future. This is not a viable alternative.

B. Another alternative is not to perform the needed elevator/escalator upgrades. Not installing escalator brushes would be a clear violation of elevator/escalator code and would result in equipment operating permits to be revoked by the State. Not performing the other requested elevator upgrades would reduce equipment availability and reliability and it is not a viable option.

ATTACHMENT

A. Procurement Summary

Prepared by: Hussein Farah, Facilities Maintenance Manager
Frank Clarke, Contract Administrator


John B. Catoe, Jr.
Deputy Chief Executive Officer


Roger Snoble
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

ELEVATOR/ESCALATOR MAINTENANCE SERVICE

1.	Contract Number: OP33443130		
2.	Recommended Vendor: Mitsubishi Electric & Electronics USA, Inc.		
3.	Cost/Price Analysis Information:		
	A. Bid/Proposed Price: \$TBD	Recommended Price: \$TBD	
	B. Details of Significant Variances: TBD		
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: September 2000		
	F. Conflict of Interest Form Submitted to Ethics: September 2000		
6.	Small Business Participation:		
	A. Bid/Proposal Goal: DBE 8%	Date Small Business Evaluation Completed: September 6, 2000	
	B. Small Business Commitment: 9.52%		
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: Mitsubishi	Bid/Proposal Amount: \$N/A	Best and Final Offer Amount: \$TBD
	B. Evaluation Methodology: N/A		
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: Frank Clarke	Telephone Number: (213) 922-1067	
11.	Project Manager: Hussein Farah	Telephone Number: (213) 922-8877	

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

A. Background of 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's performance for the MTA Contract OP33443130 awarded in October, 2000 has been satisfactory to date.

B. Procurement Background

On Oct. 18, 2000 the Board authorized the Chief Executive Officer to execute a Firm Fixed Price contract with Mitsubishi Electric & Electronics USA, Inc. Elevator/Escalator Division to provide regular and as-needed services for all MTA 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, 144,660.00, inclusive of a 10% contingency for as-needed services.

Four Amendments have been issued to date. Only two of the four amendments required funding. Amendment #2 was for the replacement of a "bull" gear at the Civic Center escalator (#202) in the amount of \$310,000. Amendment #4 covered two separate issues. First it addressed the repair of Escalator (WVS-09) at Wilshire/Vermont Station in the amount of \$85,279.03, and secondly it covered the preventative maintenance of four (4) new elevators added to the system as part of Metro Redline Segment 3, in the amount of \$73,059.00.

C. Evaluation of Bids

Not applicable.

D. Price Analysis and Explanation of Variances

The original recommended Contract price was determined to be fair and reasonable based upon fact finding, and clarification. A pre-award audit was also performed by Management Audit Service 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**

PRIME CONTRACTOR – Mitsubishi Electronics America

Small Business Commitment

Other Subcontractors

Plumbers Elevator Service 10.02%

Total Commitment: The MTA had established a Disadvantaged Business Enterprise (DBE) goal of 5% for the original contract. The awardee Mitsubishi Electronics America committed to 10.02%.