

PROCUREMENT SUMMARY

**ELEVATOR/ESCALATOR MAINTENANCE SERVICES
CONTRACT NUMBER OP4939100**

1.	Contract Number: OP4939100	
2.	Recommended Vendor: Mitsubishi Electric US, Inc. (MEUS)	
3.	Type of Procurement (check one): <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: November 30, 2015	
	B. Advertised/Publicized: November 27, 2015	
	C. Pre-proposal/Pre-Bid Conference: December 16, 2015	
	D. Proposals/Bids Due: January 28, 2016	
	E. Pre-Qualification Completed: April 7, 2016	
	F. Conflict of Interest Form Submitted to Ethics: April 19, 2016	
	G. Protest Period End Date: May 30, 2016	
5.	Solicitations Picked up/Downloaded: 14	Bids/Proposals Received: 1
6.	Contract Administrator: Kenneth Takahashi	Telephone Number: (213) 922-1047
7.	Project Manager: Carlos Martinez	Telephone Number: (213) 922-6761

A. Procurement Background

This Board Action is to approve Contract No. OP4939100 issued in support of obtaining an elevator/escalator maintenance services contractor for all facilities and equipment located outside of the Metro headquarters building.

Prior to issuing the solicitation, Metro staff conducted an Industry Review of the Statement of Work (SOW) beginning September 24, 2015, with comments due on October 13, 2015. As part of the review, the SOW was sent out to six large elevator/escalator firms in the industry for an opportunity to review and provide comments and feedback. In addition, the six firms were invited to attend annual inspections of Metro's elevators and escalators to review the equipment and system; however, only Mitsubishi Electric US attended the annual inspections. As a result of the Industry Review, only Mitsubishi Electric US, Inc. offered comments and feedback on the SOW.

The Request for Proposals (RFP) was issued in accordance with Metro's Acquisition Policy and the contract type is a firm fixed unit price for maintenance work and time and material for any required repair and/or replacement work on an as-needed basis.

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

- Amendment No. 1, issued on December 17, 2015 revised DEOD subcontractor listings, the scope of work, extended the proposal due date, and provided responses to questions;
- Amendment No. 2, issued on January 13, 2016 extended the proposal due date.

A total of four months were committed for industry technical/operational reviews and proposal development prior to the due date of the RFP to ensure sufficient time for the potential proposers to review the operations, familiarize themselves with Metro’s requirements, submit questions, receive responses, and submit their proposals.

One proposal from Mitsubishi Electric US, Inc. was received on January 28, 2016.

A market survey was conducted of plan holders that had not submitted a proposal to ascertain the reason(s) for non-submittal. Two responses were received. One planholder indicated that her organization had a personnel change and they did not have sufficient time to draft a proposal. The other planholder indicated that they could not accept responsibility for the entire system without performing a review of all facilities and equipment.

As part of the Industry Review of the SOW, none of the plan holders submitted any comments or feedback during this review process, with the exception of Mitsubishi Electric US.

Additionally, elevator/escalator firms were offered the opportunity to view operations on several occasions before and during the solicitation; however, none of the firms accepted the invitation to do so, including the firm that indicated they could not accept responsibility.

B. Evaluation of Proposals/Bids

A Proposal Evaluation Team (PET) consisting of staff from General Services and Facilities Maintenance was convened and conducted a comprehensive evaluation of the proposal received.

The proposal was evaluated based on the following evaluation criteria and weights:

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| • Qualifications of the Firm and Staff | 25 percent |
| • Work Plan | 31 percent |
| • Contracting Outreach and Mentor Protégé Approach | 4 percent |
| • Price | 40 percent |

The proposal evaluation criteria are appropriate and consistent with criteria developed for similar elevator/escalator maintenance and repair contracts. Several factors were considered when developing these weights, giving the greatest importance to the technical areas of the Work Plan and Qualifications of the Firm and Staff.

During the week of February 1, 2016, the evaluation committee met and began its review of the proposal. Concurrently, audits were initiated for the cost proposals from the prime contractor and the named subcontractors and supplier.

The breakdown of the scoring conducted by the PET is provided below:

1	Firm	Average Score	Factor Weight	Weighted Average Score	Rank
2	Mitsubishi Electric US, Inc.				
3	Qualifications of the Firm and Staff	89.00	25.00%	22.25	
4	Work Plan	93.33	31.00%	28.93	
5	Contracting Outreach and Mentor Protégé Approach	60.00	4.00%	2.40	
6	Price	100.00	40.00%	40.00	
7	Total		100.00%	93.58	1

C. Cost/Price Analysis

The recommended price has been determined to be fair and reasonable based upon an examination that included reviews of the MASD findings, the independent cost estimate, cost analysis, technical evaluation, fact finding, increased personnel requirements (number of technicians increased from 18 to 24), and negotiations with Mitsubishi and five of their subcontractors. Metro staff successfully negotiated a cost savings of \$3,483,718 from the firm's proposed price.

	Description	Proposal Amount	Metro ICE	BAFO/Recommended Amount
1.	Base Contract Term (Years 1-5)	\$77,282,526	\$67,694,343	\$75,077,960
2.	One, Two-Year Option Term (Years 6-7)	\$33,871,442	\$24,124,727	\$32,592,290
3.	Totals	\$111,153,968	\$91,819,070	\$107,670,250

Although the BAFO proposal received is higher than the independent cost estimate, it factors in the labor rate adjustments governed by the International Union of Elevator Constructors (IUEC), the expanded system requirements, improved service frequencies and general market escalation.

D. Background on Recommended Contractor

The recommended firm, Mitsubishi Electric US, Inc. (MEUS), located in Cypress, California, has been in business for over 85 years and is a leader in the elevator and escalator field. MEUS had sales in 2015 of over \$36 billion worldwide, of which \$4 billion was direct elevator and escalator sales and maintenance.

MEUS has recently completed several projects including, JW Marriott at LA Live, the Broad Museum, and 8055 Irvine Center Drive. They have three branches in the Los Angeles area, one covering LA/Riverside/Orange Counties, another covering San Diego and San Bernardino Counties, and a branch that only services Metro. Additionally, MEUS personnel are exclusively assigned to the Metro branch and are not available for the other two branches to draw upon.

MEUS is the incumbent contractor and their past performance has been satisfactory.