

**PROCUREMENT SUMMARY**

**ELEVATOR AND ESCALATOR MAINTENANCE SERVICES  
OP1107840018370 / OP1107840008370**

1.	<b>Contract Number:</b> (A) OP1107840018370 Systemwide Elevator & Escalator Maintenance & Repair Services (B) OP1107840008370 Gateway & Childcare Center Elevator & Escalator Maintenance & Repair Services	
2.	<b>Recommended Vendor:</b> (A) Mitsubishi Electric US Inc. and (B) Otis Elevator Company	
3.	<b>Type of Procurement (check one):</b> <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.	<b>Procurement Dates:</b>	
	<b>A. Issued:</b> August 29, 2023	
	<b>B. Advertised/Publicized:</b> August 29, 2023	
	<b>C. Pre-Proposal Conference:</b> September 8, 2023	
	<b>D. Proposals Due:</b> October 31, 2023	
	<b>E. Pre-Qualification Completed:</b> January 16, 2024	
	<b>F. Ethics Declaration Forms submitted to Ethics:</b> October 31, 2023	
	<b>G. Protest Period End Date:</b> March 26, 2024	
5.	<b>Solicitations Picked up/Downloaded:</b>  19	<b>Bids/Proposals Received:</b>  3 – Systemwide Service Area 3 – Gateway & Childcare Center Service Area
6.	<b>Contract Administrator:</b> Manchi Yi	<b>Telephone Number:</b> (213) 418-3332
7.	<b>Project Manager:</b> Mark Jackson	<b>Telephone Number:</b> (213) 922-6788

**A. Procurement Background**

This Board Action is to approve Contract Nos. OP1107840018370 (Systemwide Elevator & Escalator Maintenance & Repair) to Mitsubishi Electric US Inc. and OP1107840008370 (Gateway & Childcare Center Elevator & Escalator Maintenance & Repair) to Otis Elevator Company to provide comprehensive preventative maintenance, servicing, repairs, inspections, and tests for the elevators, escalators, and their associated systems and equipment. Board approval of contract awards is subject to the resolution of any properly submitted protest(s), if any.

Prior to the release of the solicitation, Metro conducted a virtual outreach event to notify the small business community of this upcoming procurement opportunity, promote small business participation, and encourage competition. The outreach event was attended by 19 participants.

On August 29, 2023, Request for Proposals (RFP) No. OP110784 was issued as a competitive procurement in accordance with Metro’s Acquisition Policy and the contract type is a firm fixed unit rate. The scope of service was comprised of two service areas: 1) Systemwide and 2) Gateway & Childcare Center. Proposers were

allowed to submit proposals for one or both service areas. There was no limit on the number of service areas a proposer could be awarded.

The RFP was issued with a 7% Small Business Enterprise (SBE) goal, and a 3% Disabled Veteran Business Enterprise (DVBE) goal. It was also subject to the Local Small Business Enterprise (LSBE) Preference Program which awards a bonus of 5 preference points for utilizing local small business firms. Further, the procurement for the Systemwide service area was subject to an SBE/DVBE Contracting Outreach and Mentoring Plan (COMP) which required proposers to mentor two SBE/DVBE firms for protégé development.

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

- Amendment 1, issued on September 22, 2023, extended the proposal due date, updated the evaluation criteria for the Systemwide service area to include the Contracting Outreach and Mentoring Plan (COMP), revised the scope of services to clarify some elements of the required services, and replaced the DEOD Instructions with the applicable document.
- Amendment 2, issued on October 12, 2023, extended the proposal due date and revised the DEOD Instructions, Section 400 – SBE/DVBE COMP to Bidders/Proposers, by removing construction commitments that did not apply to this RFP.
- Amendment 3, issued on October 20, 2023, revised the evaluation criteria for both service areas to include the LSBE Preference Program;
- Amendment 4, issued on October 26, 2023, revised the schedule of quantities and prices to include additional instructions for completing the form.

A total of 19 firms downloaded the RFP and were included on the planholders list. A virtual pre-proposal conference was held on September 8, 2023, with 10 participants representing 4 firms in attendance. There were 33 questions asked and responses were released before the proposal due date.

A total of 6 proposals for the two service areas were received by October 31, 2023 from the following firms listed below in alphabetical order:

#### Systemwide Service Area

1. Mitsubishi Electric US, Inc.
2. Otis Elevator Company
3. Schindler Elevator Corporation

#### Gateway & Childcare Center Service Area

1. Mitsubishi Electric US, Inc.
2. Otis Elevator Company

### 3. Schindler Elevator Corporation

## **B. Evaluation of Proposals**

A Proposal Evaluation Team (PET) consisting of staff from Facilities Contracted Maintenance Services and Asset Management departments was convened and conducted a comprehensive technical evaluation of the proposals received.

The proposals were evaluated based on the following evaluation criteria:

Evaluation Pass/Fail Criteria: To be responsive to the RFP, proposers must pass all criteria:

### Systemwide Service Area

1. Prime Contractor must have a minimum of three years of experience providing preventative maintenance, service, repair, inspection, testing of elevators and escalators of comparable diversity, age capacity, etc., with public or private entities with facilities of comparable scale to the scope of services.
2. Prime Contractor must have three years of project management team experience with a public or private entity with facilities of comparable scale to the scope of services in preventative maintenance, service, repair, inspection, testing of elevators and escalators of comparable diversity, age capacity, etc.
3. Prime Contractor and subcontractor performing preventive maintenance, service, repair, inspection, and testing of elevators and escalators must possess the necessary licenses and certifications which must be active at the time of proposal submittal.
4. Prime Contractor must have current maintenance contracts with responsibilities of no fewer than a combination of 400 elevators and escalators including a minimum of 200 escalators.
5. Three years of corporate experience in the acquisition of diverse manufactured spare parts in support of an elevator/escalator operation equaling a minimum of \$2 million annually.

### Gateway & Childcare Center Service Area

1. Prime Contractor must have a minimum of three years of experience providing preventative maintenance, service, repair, inspection, testing of elevators and escalators of comparable diversity, age capacity, etc. with public or private entities with facilities of comparable scale to the scope of services.
2. Prime Contractor must have three years of project management team experience with a public or private entity with facilities of comparable scale to the scope of services in preventative maintenance, service, repair, inspection, testing of elevators and escalators of comparable diversity, age capacity, etc.

3. Prime Contractor and subcontractor performing preventive maintenance, service, repair, inspection, and testing of elevators and escalators must possess the necessary licenses and certifications which must be active at the time of proposal submittal.
4. Prime Contractor must have maintenance contracts within the last six months with responsibilities of no fewer than a combination of 20 elevators and escalators including a minimum of 5 escalators.
5. Three years of corporate experience in the acquisition of diverse manufactured spare parts in support of an elevator/escalator operation equaling a minimum of \$100,000 annually.

Evaluations were conducted from November 6, 2023 through November 29, 2023.

Of the proposals received, one was deemed non-responsive to the RFP requirements. Mitsubishi Electric US, Inc. (MEUS) failed to meet the SBE/DVBE goals established for the Gateway & Childcare Center service area.

The PET continued to evaluate the remaining five proposals based on the following weighted evaluation criteria:

Systemwide Service Area

- |  |             |
|--|-------------|
| • Comprehensiveness of Work Plan   | 35%         |
| • Experience and Qualifications  | 30%         |
| • SBE/DVBE Contracting Outreach & Mentor Protégé Approach                  | 4%          |
| • Cost Proposal  | 31%         |
| • Local Small Business Enterprise (LSBE) Preference Program (Bonus Points) | 5%          |
| • <b>Total</b>   | <b>105%</b> |

Gateway & Childcare Center Service Area

- |  |             |
|--|-------------|
| • Comprehensiveness of Work Plan   | 35%         |
| • Experience and Qualifications  | 35%         |
| • Cost Proposal  | 30%         |
| • Local Small Business Enterprise (LSBE) Preference Program (Bonus Points) | 5%          |
| • <b>Total</b>   | <b>105%</b> |

The evaluation criteria are appropriate and consistent with criteria developed for similar procurements. Several factors were considered when developing these weights, giving the greatest importance to comprehensiveness of work plan for the Systemwide service area and comprehensiveness of work plan and experience and qualifications for the Gateway and Childcare Center service area.

The PET independently evaluated and scored the technical proposals and determined that MEUS and Otis Elevator Company (Otis) were the highest ranked proposers for the Systemwide and Gateway & Childcare Center service areas, respectively.

### **Qualifications Summary of Firms within the Competitive Range:**

#### **Mitsubishi Electric US, Inc.**

Mitsubishi Electric US, Inc. (MEUS), headquartered in Cypress, California, is the principal subsidiary of Mitsubishi Electric Corporation in the United States. MEUS's elevator and escalator division began operations in the United States in 1985. As a full-service elevator company, it offers new equipment installation, including traction and hydraulic elevators, moving walks, linear escalators, and spiral escalators. It also provides comprehensive preventative maintenance, servicing, repairs, inspections, tests and modernization services for the elevators, escalators and their associated systems and equipment.

MEUS' proposal was detailed and responsive to the evaluation criteria. They demonstrated their skills, competence, and qualifications in performing all tasks required in the scope of services and satisfactory track record of performance. Their approach demonstrated a deeper understanding of the built environment, organizational uptime requirements, callback requirements, and reporting requirements.

#### **Otis Elevator Company**

Otis Elevator Company (Otis), headquartered in Farmington, CT, is a manufacturer and maintainer of elevators, escalators, moving walkways, and related equipment. It has 170 years of experience providing preventative maintenance, service, repair, inspection, testing of elevators and escalators of comparable diversity, age capacity, etc. with public or private entities with facilities of comparable scale to the scope of services. Otis has a large pool of qualified mechanics with robust experience, access to modern training and adequate resources to procure the required spare parts. Its Los Angeles location has over 550 local technicians, 12 maintenance supervisors and 4 service project managers that are available to service the Metro contract.

#### **Schindler Elevator Corporation**

Schindler Elevator Corporation (Schindler), the American division of the Schindler Group was founded in 1989 and is headquartered in Morristown, New Jersey. It is a manufacturer of elevators, escalators and moving walks. Schindler also installs, maintains, and modernizes mobility solutions for almost every type of building requirement worldwide. Its Los Angeles office maintains over 4000 elevators and escalators in the greater Los Angeles area with 61 service and repair mechanics, an

office staff of 39 and a 24/7 manned dispatch line to report service calls and repair requests.

The following is a summary of the PET scores:

Systemwide Service Area

<b>1</b>	<b>Firm</b>	<b>Average Score</b>	<b>Factor Weight</b>	<b>Weighted Average Score</b>	<b>Rank</b>
<b>2</b>	<b>Mitsubishi Electric US, Inc.</b>				
<b>3</b>	Comprehensiveness of Work Plan	91.66	35.00%	32.08	
<b>4</b>	Experience and Qualifications	90.00	30.00%	27.00	
<b>5</b>	SBE/DVBE Contracting Outreach & Mentor Protégé Approach	50.00	4.00%	2.00	
<b>6</b>	Cost Proposal	100.00	31.00%	31.00	
<b>7</b>	LSBE Preference Program (5 Bonus Points)	0.00	5.00%	0.00	
<b>8</b>	<b>Total</b>		<b>105.00%</b>	<b>92.08</b>	<b>1</b>
<b>9</b>	<b>Otis Elevator Company</b>				
<b>10</b>	Comprehensiveness of Work Plan	58.34	35.00%	20.42	
<b>11</b>	Experience and Qualifications	50.00	30.00%	15.00	
<b>12</b>	SBE/DVBE Contracting Outreach & Mentor Protégé Approach	50.00	4.00%	2.00	
<b>13</b>	Cost Proposal	84.97	31.00%	26.34	
<b>14</b>	LSBE Preference Program (5 Bonus Points)	0.00	5.00%	0.00	
<b>15</b>	<b>Total</b>		<b>105.00%</b>	<b>63.76</b>	<b>2</b>
<b>16</b>	<b>Schindler Elevator Corporation</b>				
<b>17</b>	Comprehensiveness of Work Plan	51.00	35.00%	17.85	
<b>18</b>	Experience and Qualifications	56.10	30.00%	16.83	
<b>19</b>	SBE/DVBE Contracting Outreach & Mentor Protégé Approach	100.00	4.00%	4.00	
<b>20</b>	Cost Proposal	40.10	31.00%	12.43	
<b>21</b>	LSBE Preference Program (5 Bonus Points)	0.00	5.00%	0.00	
<b>22</b>	<b>Total</b>		<b>105.00%</b>	<b>51.11</b>	<b>3</b>

Gateway and Childcare Center Service Area

1	Firm	Average Score	Factor Weight	Weighted Average Score	Rank
2	<b>Otis Elevator Company</b>				
3	Comprehensiveness of Work Plan	60.66	35.00%	21.23	
4	Experience and Qualifications	53.91	35.00%	18.87	
5	Cost Proposal	100.00	30.00%	30.00	
6	LSBE Preference Program (5 Bonus Points)	0.00	5.00%	0.00	
7	<b>Total</b>		<b>105.00%</b>	<b>70.10</b>	<b>1</b>
8	<b>Schindler Elevator Corporation</b>				
9	Comprehensiveness of Work Plan	54.00	35.00%	18.90	
10	Experience and Qualifications	60.57	35.00%	21.20	
11	Cost Proposal	37.73	30.00%	11.32	
12	LSBE Preference Program (5 Bonus Points)	0.00	5.00%	0.00	
13	<b>Total</b>		<b>105.00%</b>	<b>51.42</b>	<b>2</b>

**C. Price Analysis**

Systemwide Service Area

The recommended price has been determined to be fair and reasonable based on adequate competition, an independent cost estimate (ICE), technical analysis, and fact finding. It is 6.64% lower than Metro's ICE.

	Proposer Name	Proposal Amount	Metro ICE	Recommended Amount
1.	Mitsubishi Electric US, Inc.	\$199,701,981	\$213,899,362	\$199,701,981
2.	Otis Elevator Company	\$235,042,074		
3.	Schindler Elevator Corporation	\$498,249,064		

The variance between the ICE and the recommended amount is attributable to the higher escalation rate assumed in the ICE brought about by the volatility of labor and material costs since the onset of the COVID-19 pandemic.

Gateway and Child Care Center Service Area

The recommended price has been determined to be fair and reasonable based on adequate competition, an ICE, technical analysis, fact finding and negotiations. Metro staff successfully negotiated cost savings of \$2,283,941.

	<b>Proposer Name</b>	<b>Proposal Amount</b>	<b>Metro ICE</b>	<b>Recommended Amount</b>
1.	Otis Elevator Company	\$19,237,408	\$10,114,924	\$16,953,467
2.	Schindler Elevator Corporation	\$50,969,339		

The variance between the ICE and the recommended amount is due to higher contingency costs that are attributable to the small number of units to be maintained under the contract, the age of the units, and the obsolescence of parts and associated components.

**D. Background on Recommended Contractor**

**Systemwide Service Area**

Mitsubishi Electric US, Inc. (MEUS) has been in business for over 37 years in the United States. MEUS is a full-service elevator company that offers new equipment installation, including traction and hydraulic elevators, moving walks, linear escalators, and the world’s only spiral escalator. It also provides comprehensive maintenance, repair, and modernization services for both Mitsubishi Electric and other manufacturers' equipment.

Clients for whom MEUS has provided installation and/or maintenance and repair services include Nordstrom, Target Stores, Universal Studios, Unibal-Rodamco-Westfield, and New Century Plaza Towers.

The MEUS team includes five SBEs and two DVBE subcontractors.

The proposed Operations Manager has been in the elevator/escalator trade for 15 years and is the Operations Manager of Metro’s current elevator/escalator maintenance services contract.

MEUS is the incumbent contractor and performance has been satisfactory.

**Gateway and Childcare Center Service Area**

Otis Elevator Company (Otis) has been in business for approximately 170 years providing preventative maintenance, service repair, inspection, testing of elevators and escalators with public and private agencies. Otis’ clients include the Los Angeles International Airport, SoFi Stadium, Getty Center, Wilshire Grand Center, and Montreal Airport.

The Otis team includes one SBE and one DVBE subcontractor.