



## Board Report

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### OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE June 17, 2021

**SUBJECT: ELEVATOR AND ESCALATOR MAINTENANCE SERVICES**

**ACTION: APPROVE CONTRACT MODIFICATION**

#### **RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to execute Modification No. 10 to Contract No. OP710100003367 with Mitsubishi Electric USA, Inc. (MEUS), to continue performing comprehensive preventative maintenance, inspections and repairs of elevators and escalators along with their associated systems and equipment. Modification No. 10 is to exercise the one, two-year option in the amount of \$32,592,290, increasing the total contract value from \$76,732,083.65 to \$109,324,373.65 and extending the period of performance from November 1, 2021 to October 31, 2023.

#### **ISSUE**

The existing contract five-year base period expires October 31, 2021. To ensure service continuity providing safe, comprehensive preventative maintenance, inspections and repairs of elevators and escalators along with their associated systems and equipment throughout Metro facilities, excluding Metro Gateway Headquarters and Union Station East Portal, which are covered under a separate maintenance contract, a contract modification is required effective November 1, 2021.

#### **BACKGROUND**

On August 25, 2016, Metro Board of Directors authorized the Chief Executive Officer to award a firm fixed unit rate Contract No. OP710100003367 for comprehensive elevator and escalator maintenance, inspection, and repair services, with MEUS, for a five-year base period and one, two-year option, effective November 1, 2016.

#### **DISCUSSION**

Under the existing contract, MEUS has been providing satisfactory services performing elevator and escalator maintenance, inspections, and as-needed repairs. A systematic preventive maintenance program and timely repair of the equipment is necessary to meet the State code requirements and provide a safe and reliable vertical transportation system to Metro patrons.

Contractor responsibilities have expanded to include nine (9) elevators and four (4) escalators for a total of 13 additional units at Metro B Line (Red) Universal City Station Pedestrian Bridge, North Hollywood Station, Crenshaw/LAX Division 16, and Location 64. The updated number of transit and non-transit units maintained under this contract is 173 elevators and 139 escalators for a total of 312 units system-wide, excluding Metro Gateway Headquarters and Union Station East Portal which are covered under a separate maintenance contract.

Under this contract, the contractor has been providing enhanced cleanliness services for the escalator steps and elevator hoistway glass and pits, to improve units' overall conditions. State-of-good repair refurbishment projects have been an integral part of this contract performing elevator flooring replacement for approximately \$2,010,000, corrosion damage repairs to hoistway entrances and platforms for \$1,900,000, and escalator step tread replacement for approximately \$430,000.

Additional as-needed services will continue to repair damages caused by water intrusion, vandalism, and misuse of units, and replace obsolete parts and upgrade existing equipment. This is necessary to ensure service reliability, maintain a state of good repair and remain in compliance with State code requirements.

The annual average Key Performance Indicator (KPI) for Metro's transit 139 elevators and 139 escalators exceeds 99%. Elevator and escalator annual average KPI measures units' availability while verifying contractor's responsiveness and ability to maintain the units in operation. Units' availability is calculated taking into consideration all downtime for inoperable units reported to Metro due to scheduled maintenance or unplanned downtime caused by misuse of units, vandalism, and/or technical matters.

As part of this contract, terms for liquidated damages are included and designed to minimize equipment downtime, provide an incentive for the contractor to respond and perform timely repairs in accordance with contract requirements, and keep the units in operation. Liquidated damages are also applicable for failure to repair a unit after repeated calls for the same problem and excessive equipment downtime.

This comprehensive elevator and escalator maintenance contract is critical to Metro's operations to ensure service continuity, sustain high levels of equipment availability and reliability, and minimize equipment downtime and impact on riders. The elevators and escalators throughout Metro's transit system play a vital role in riders' access, especially for mobility impaired patrons.

The Diversity and Economic Opportunity Department (DEOD) established a 7% Small Business Enterprise (SBE) goal and a 3% Disadvantage Veteran Business Enterprise (DVBE) goal for this contract. MEUS made a commitment of 7.51% for SBE and 3.05% for DVBE. The project is 80% complete and the current SBE participation is 8.21%, exceeding the commitment by 0.70%, and the current DVBE participation is 3.02%, representing a 0.03% shortfall. MEUS is working DEOD and has identified additional resources to mitigate the DVBE shortfall, with an anticipation to be on target with their community by the end of May 2021.

## **DETERMINATION OF SAFETY IMPACT**

The approval of this item will provide continuity of maintenance services for the elevators and escalators throughout Metro's transit system, ensure compliance with State code requirements, and sustain high levels of equipment availability, in an effort to continue delivering safe, on-time, and reliable access to our patrons.

### **FINANCIAL IMPACT**

Given Board approval of the FY22 budget, funding of \$15,869,294 is included under cost center 8370 - Facilities Contracted Maintenance Services, account 50308, Service Contract Maintenance, under various projects.

Since this is a multi-year contract, the cost center manager and Sr. Executive Officer, Maintenance and Engineering will be accountable for budgeting the cost in future years.

#### **Impact to Budget**

The current source of funds for this action are Enterprise operating funds including fares and sales tax. Allocation of these funds 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 system-wide elevator and escalator maintenance contract ensures the continuity of meeting the State mandated regulations and critical maintenance needs necessary to provide safe, clean, timely, and reliable services.

### **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 a 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**

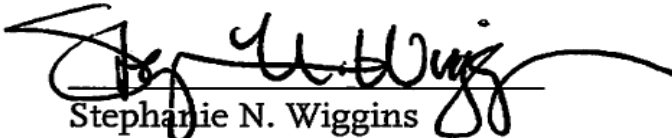
Upon approval by the Board, staff will execute Modification No. 10 to Contract No. OP710100003367 with MEUS, for comprehensive preventative maintenance, inspections, repairs, and cleaning of elevators and escalators along with their associated systems and equipment, excluding Metro Gateway Headquarters and Union Station East Portal, which are covered under a separate maintenance contract, effective November 1, 2021.

**ATTACHMENTS**

Attachment A - Procurement Summary  
Attachment B - Contract Modification/Change Order Log  
Attachment C - DEOD Summary

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