



Board Report

File #: 2024-0060, File Type: Contract

Agenda Number: 32.

REVISED
OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE
MARCH 21, 2024

SUBJECT: ELEVATOR AND ESCALATOR MAINTENANCE SERVICES

ACTION: APPROVE CONTRACT AWARDS

RECOMMENDATIONS

AUTHORIZE the Chief Executive Officer to:

- A. AWARD a firm fixed unit rate Contract No. OP1107840018370 to Mitsubishi Electric US Inc. (MEUS) to provide comprehensive preventative maintenance services, inspections, and repairs of elevators, escalators, and their associated systems and equipment throughout Metro facilities excluding the Metro Gateway Headquarters Building. The Contract not-to-exceed (NTE) amount is \$142,352,031 for the five-year base period, and \$57,349,950 for the one, two-year option, for a total combined NTE amount of \$199,701,981, effective May 1, 2024, subject to resolution of any properly submitted protest(s), if any;
- B. AWARD a firm fixed unit rate Contract No. OP1107840008370 to Otis Elevator Company (Otis), to provide comprehensive preventative maintenance services, inspections, and repairs of elevators, escalators, and their associated systems and equipment within the Metro Gateway Headquarters Building, for an NTE amount of \$11,890,099 for the five-year base period, and \$5,063,368 for the one, two-year option, for a total combined NTE amount of \$16,953,467, effective May 1, 2024, subject to resolution of any properly submitted protest(s), if any, and;
- C. EXECUTE individual contract modifications within the Board approved contract modification authority.

ISSUE

The existing elevator and escalator maintenance services contract expires April 30, 2024. To avoid a lapse in service and continue providing safe, quality, regularly scheduled, and as-needed elevator and escalator maintenance services systemwide, including the Metro Gateway Headquarters Building, two (2) new contract awards are required effective May 1, 2024.

BACKGROUND

On August 25, 2016, the Board of Directors awarded a firm fixed unit rate Contract No. OP710100003367 to MEUS, to provide comprehensive elevator and escalator maintenance, inspection, and repair services systemwide, effective November 1, 2016, excluding the Metro Gateway Headquarters Building and Union Station East Portal elevators and escalators, covered under a separate maintenance services contract.

On October 22, 2020, the Board of Directors awarded a firm fixed unit rate Contract No. OP1680130003367 to Elevators, Etc. LP (EE), to provide comprehensive elevator and escalator maintenance, inspection, and repair services within the Metro Gateway Headquarters Building and Union Station East Portal, effective March 1, 2021.

Under these two (2) contracts, the contractors are required to provide a systematic preventive maintenance program and timely repair of equipment to meet the State regulatory requirements and provide a safe and reliable vertical transportation system for Metro patrons and staff.

While staff is continuously exploring opportunities for improvements and increasing competition along with small business (SBE) participation, the new solicitation released in May 2023 included a scope of services structured to award two (2) new comprehensive elevator and escalator maintenance contracts, one (1) for the Metro Headquarters Building and the other contract for the systemwide units throughout Metro's bus and rail facilities. Concurrently, to allow sufficient time to complete ongoing elevator and escalator state-of-good repair improvement projects that were delayed due to the post-pandemic market conditions and supply chain issues, staff considered extending the period of performance for the two (2) existing contracts from October 31, 2023, to April 30, 2024. Due to a commitment to a new project and a labor shortage, EE was unable to perform any maintenance activities beyond October 31, 2023.

On September 28, 2023, the Metro Board of Directors approved Contract Modification No. 14 for the existing contract with MEUS ensuring service continuity for Metro's elevators and escalators by extending the contract through April 30, 2024, and expanding the scope of services to include the 28 elevators and seven (7) escalators located in the Metro Gateway Headquarters Building and Union Station East Portal, previously maintained under the EE contract. In October 2023, the service area further expanded to include 14 elevators and 16 escalators on the K-Line (Crenshaw/LAX), for a total of 65 additional units. The current overall count of units maintained under the existing MEUS contract is 218 elevators and 163 escalators, for a total of 381 units.

Under the existing contract, MEUS has been providing satisfactory services performing preventative maintenance, inspections, and repairs for Metro's elevators, escalators, and their associated systems and equipment.

DISCUSSION

Under the two (2) new contracts recommended for award, the contractors are required to provide critical elevator and escalator maintenance services, including, but not limited to regulatory and critical maintenance services, inspections, enhanced cleaning services, and as-needed repairs to sustain high levels of equipment availability and reliability, minimize equipment downtime and assure compliance with State code and ADA regulations. The contract to maintain elevators and escalators

within Metro's Headquarters Building includes 19 elevators and four (4) escalators for a total of 23 units, and the systemwide contract includes 199 elevators and 159 escalators for a total of 358 units.

During the new systemwide contract period of performance, the scope of services will expand to include an additional 78 elevators and 81 escalators for Metro's system expansion projects, upon completion of the one (1) year warranty and maintenance period, per the following:

- Regional Connector: 15 elevators and 12 escalators
- Airport Metro Connector (AMC): 11 elevators and 10 escalators
- A Line (Blue) Foothill Extension Phase 2B: 10 elevators
- D Line (Purple) Extension Phase I: 12 elevators and 18 escalators
- D Line (Purple) Extension Phase II: Eight (8) elevators and 12 escalators
- G Line (Orange) Grade Separation: Eight (8) elevators and eight (8) escalators
- D Line (Purple) Extension Phase III: 14 elevators and 21 escalators

Once all system expansion units are added, the units maintained by the systemwide contract will increase from 199 elevators and 159 escalators to 277 elevators and 240 escalators, with an updated total number of units increasing from 358 units to 517 units. To properly accommodate the expanded scope of services to account for the addition of Metro's system expansion project units, the number of dedicated technicians will gradually increase from 24 to 35 to ensure maintaining the level of quality and timely services required to sustain high levels of equipment availability and reliability, minimize equipment downtime and remain in compliance with State code and ADA regulations.

With many of Metro's older elevators and escalators nearing the end of their life expectancy, the scope of services for the new contracts recommended for award includes ongoing state-of-good-repair projects, including but not limited to replacement of obsolete parts, corrosion damage repairs, and escalator step tread replacement.

In addition, both new contracts include clauses for liquidated damages designed to minimize equipment downtime, provide an incentive for the contractors to respond in a timely manner, and comply with contract requirements. Liquidated damages are also applicable for failure to repair a unit after repeated calls for the same problem and excessive equipment downtime.

While the systemwide contract reflects an average unit price increase of 5.25% above the existing contract, the total contract cost is 6.64% below the Independent Cost Estimate (ICE). The Metro Gateway Headquarters Building contract reflects an average unit price increase of 28.77% above the existing contract and the total contract cost is above the ICE due to higher contingency costs based on the limited number of units included under this contract, their age, and obsolescence of parts and associated components. Taking these facts into consideration, the two (2) new contract amounts recommended for award are considered fair and reasonable.

DETERMINATION OF SAFETY IMPACT

The approval of these recommendations will provide continuity of maintenance services for elevators and escalators systemwide. This will also ensure compliance with State code requirements, sustain

high levels of equipment availability, and continued delivery of safe, on-time, and reliable access to Metro patrons and staff.

FINANCIAL IMPACT

Funding of \$5,362,770 for elevator and escalator maintenance services for the remainder of FY24 is allocated 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 Deputy Chief Operations Officer, Shared Mobility, will be accountable for budgeting the cost in future years.

Impact to Budget

The current source of funds for this action includes Fares, Proposition A/C, Measures R/M (Transit Operations), State Transportation Assistance, and the Transportation Development Act. These fund sources are eligible for bus and rail operations. Use of these funds maximizes the intent of project use given approved provisions and guidelines.

EQUITY PLATFORM

Comprehensive elevator and escalator maintenance services are critical to Metro's operations not only to ensure compliance with regulatory requirements but also to sustain high levels of equipment availability with minimal downtime and impact on riders. To accomplish this, the contractor is required to be onsite within 30 minutes of notification for all reported issues and prioritizes non-redundant units to maintain compliance with ADA requirements. The elevators and escalators throughout Metro's transit system play a vital role in riders' access, especially for mobility-impaired patrons, and riders with rolling devices such as small carts, bicycles, or strollers.

Metro staff, Transit Ambassadors, and customers, including those with Limited English Proficiency (LEP), can report elevator-related vandalism, cleanliness, and maintenance issues through the Customer Relations numbers posted in multiple languages throughout Metro bus and rail facilities. Customers have the option of communicating with Metro in nine (9) different languages using translation services.

As part of this solicitation, a Metro Connect Outreach event was conducted on August 24, 2023, with the participation of over 19 attendees representing small, medium, and large size firms within Equity Focus Communities, such as South Park and Willowbrook communities. The outreach events were advertised to existing businesses registered with Metro's Diversity and Economic Opportunity Department (DEOD). During the outreach event, staff provided an overview detailing the new enhanced Medium Size Business Enterprise (MSZ) and Small Business Enterprise (SBE) Programs' policy for competitively negotiated procurements. Staff also provided an overview of the upcoming solicitation scope of services.

The Diversity and Economic Opportunity Department (DEOD) established a 7% SBE and 3%

Disabled Veterans Business Enterprise (DVBE) goals for both contracts. MEUS made a 7.12% SBE and 9.85% DVBE commitment for the systemwide contract and Otis made a 7% SBE and 3% DVBE commitment for the Metro Gateway Headquarters Building contract.

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 two (2) elevator and escalator maintenance contracts ensure the continuity of meeting the state-mandated regulations and critical maintenance needs necessary to provide safe, clean, timely, and reliable services.

ALTERNATIVES CONSIDERED

The Board may elect not to approve the recommendations. This option is not recommended as it would result in a gap in service significantly impacting Metro's system safety, accessibility, cleanliness, operations, and customer experience.

With the completion of a financial-based insourcing/outsourcing study based on a quantitative and qualitative assessment, staff has analyzed insourcing/outsourcing options for elevator and escalator maintenance services among other services. Based on the findings, elevator and escalator maintenance services were not recommended for insourcing as this would require the negotiation of a new contract with the International Union of Elevator Constructors, hiring of State Certified Competent Conveyance Mechanics, the purchase of parts, equipment, vehicles, supplies, and the acquisition of warehouse space to inventory long-lead parts and supplies.

NEXT STEPS

Upon Board approval, staff will execute Contract No. OP1107840018370 with MEUS to provide elevator and escalator maintenance services systemwide, excluding the Metro Gateway Headquarters Building, and Contract No. OP1107840008370 with Otis to provide elevator and escalator maintenance services for the Metro Gateway Headquarters Building, effective May 1, 2024.

ATTACHMENTS

Attachment A - Procurement Summary

Attachment B - DEOD Summary

Prepared by:

Lena Babayan, Executive Officer, Operations Administration (Interim), (213) 922-6765

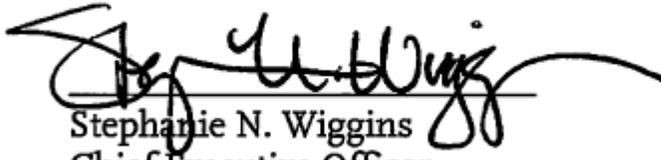
Carlos Martinez, Director, Facilities Contracted Maintenance Services, (213) 922-6761

Shahrazad Amiri, Deputy Chief Operations Officer, Shared Mobility, (213) 922-3061

Carolina Coppolo, Deputy Chief Vendor/Contract Management Officer (Interim),

(213) 922-4471

Reviewed by: Conan Cheung, Chief Operations Officer, Transit Operations,
(213) 418-3034



Stephanie N. Wiggins
Chief Executive Officer