



Board Report

File #: 2019-0655, File Type: Contract

Agenda Number: 29.

OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE OCTOBER 17, 2019

SUBJECT: GATEWAY BUILDING AND UNION STATION EAST COMPLEX ELEVATOR AND ESCALATOR SERVICES

ACTION: APPROVE CONTRACT MODIFICATION

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to execute Modification No. 2 to Contract No. PS14643013 with Mitsubishi Electric to provide elevator and escalator maintenance services for Gateway Building, increasing the seven (7) year base contract not-to-exceed amount by \$850,000, from \$4,467,975 to \$5,317,975, effective December 1, 2019.

ISSUE

In September 2014, during this contract's period of performance, Metro assumed all maintenance responsibilities for the Union Station East Portal, including the seven (7) elevators and three (3) escalators for a total of 10 units. These units were added to this contract under Modification No. 1, however, funds added as part of the modification are insufficient considering the required and ongoing maintenance services.

To continue providing the critical and state mandated maintenance services for the 10 elevators and escalators at Union Station East Portal, Contract Modification No. 2 is required to increase the seven (7) year base contract amount by \$850,000 from \$4,467,975 to \$5,317,975, effective December 1, 2019.

BACKGROUND

On January 23, 2014, Metro Board of Directors awarded a seven (7) year base Contract No. PS14643013 to Mitsubishi Electric to provide state mandated elevator and escalator maintenance services for the Gateway Building.

In September 2014, Metro assumed all maintenance responsibilities for the Union Station East Portal, including the seven (7) elevators and three (3) escalators for a total of 10 units. These units were added to this contract under Modification No. 1, however, funds added as part of the modification are insufficient considering the required and ongoing maintenance services.

In 2015, this contract was transferred from General Services to Operations for oversight and management. Since then, Facilities Maintenance Contracts and Administration staff have been managing this contract and providing the critical and state mandated maintenance services in a timely manner to ensure units' availability and reliability.

DISCUSSION

Under this contract, Mitsubishi Electric provides maintenance services on all 26 elevators and seven (7) escalators in the Gateway Building and Union Station East Portal to ensure compliance with state mandated maintenance requirements and service reliability.

DETERMINATION OF SAFETY IMPACT

The approval of this item will ensure service continuity for the elevators and escalators throughout the Gateway Building and Union Station East Portal in an effort to continue delivering safe, on-time, and reliable services.

FINANCIAL IMPACT

Funding of \$418,036 for FY20 is allocated under cost center 8370 - Contracts and Administration, account 50308, Service Contract Maintenance, under project 100090.

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

Impact to Budget

The source of funds for these services are allocated through General Overhead funding which is based on Metro's federally approved indirect-cost-allocation plan which distributes costs agency-wide including eligible Bus and Rail Projects. No other funds were considered because these funds are programmed for this use.

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 Gateway Building Elevator and Escalator Maintenance Service Contract ensures all units receive the state mandated and critical maintenance services necessary to provide safe, timely, and reliable service.

ALTERNATIVES CONSIDERED

Staff considered providing this service with in-house staff. This would require the hiring and training of additional personnel, purchase of additional equipment, vehicles, and supplies to support the expanded responsibility. Staff's assessment indicates this is not a cost-effective option for Metro.

NEXT STEPS

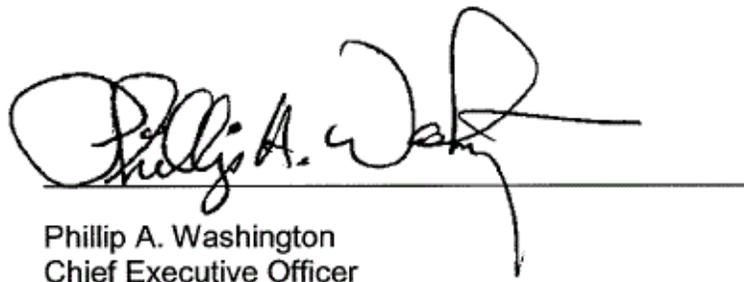
Upon approval by the Board, staff will execute Modification No. 2 to Contract No. PS14643013 with Mitsubishi Electric to provide elevator and escalator maintenance services for Gateway Building and East Portal, increasing the seven (7) year base contract not-to-exceed amount by \$850,000, from \$4,467,975 to \$5,317,975, effective December 1, 2019.

ATTACHMENTS

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

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Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

GATEWAY BUILDING AND UNION STATION EAST COMPLEX ELEVATOR AND ESCALATOR SERVICES/PS14643013

1.	Contract Number: PS14643013		
2.	Contractor: Mitsubishi Electric US, Inc., Elevator and Escalator Division		
3.	Mod. Work Description: Increase contract authority		
4.	Contract Work Description: On-going preventive maintenance and repair services of 26 elevators and seven escalators in the Gateway Building and Union Station East complex.		
5.	The following data is current as of: 9/3/19		
6.	Contract Completion Status		Financial Status
	Contracts Awarded:	1/23/14	Contracts Award Amounts: \$3,852,225
	Notice to Proceed (NTP):	N/A	Total of Modifications Approved: \$615,750
	Original Complete Date:	2/28/21	Pending Modifications (including this action): \$850,000
	Current Est. Complete Date:	2/28/21	Current Contracts Values (with this action): \$5,317,975
7.	Contract Administrator: Rommel Hilario		Telephone Number: (213) 922-4654
8.	Project Managers: Shaunt Avansian		Telephone Numbers: (213) 922-5931

A. Procurement Background

This Board Action is to approve Contract Modification No. 2 in support of Facility Maintenance to provide critical and state mandated maintenance services for elevators and escalators at the Gateway Building and Union Station East complex.

This Contract Modifications will be processed in accordance with Metro's Acquisition Policy and the contract type is firm fixed unit rate.

In January 2014, the Board approved a seven-year contract to Mitsubishi Electric US, Inc., Elevator and Escalator Division, the highest rated proposer, to provide preventive maintenance and repairs of elevators and escalators in the Gateway Headquarters building elevators and escalators. In September 2014, Metro issued Modification No.1 to include maintenance and repair of elevators and escalators in the Union Station East complex.

Refer to Attachment B – Contract Modification/Change Order Log.

B. Cost/Price Analysis

The recommended price has been determined to be fair and reasonable based upon rates that were established as part of the competitive contract award in January 2014, and are subject to prevailing wages rates set by the State of California.

Modification Amount	Metro ICE	Negotiated Amount
\$850,000	\$850,000	\$850,000

CONTRACT MODIFICATION/CHANGE ORDER LOG

GATEWAY BUILDING AND UNION STATION EAST COMPLEX ELEVATOR AND
ESCALATOR SERVICES/PS14643013

Mod. No.	Description	Date	Amount
1	Add units/equipment and maintenance costs	9/1/14	\$615,750
2	Add funds for maintenance costs	PENDING	\$850,000
	Modification Total:		\$1,465,750
	Original Contract:	1/23/14	\$3,852,225
	Total Contract Value:		\$5,317,975

DEOD SUMMARY

**GATEWAY BUILDING ELEVATOR AND ESCALATOR MAINTENANCE SERVICES /
CONTRACT NO. PS14643013**

A. Small Business Participation

Mitsubishi Electric made a Disadvantaged Business Enterprise (DBE) participation commitment of 5.00%. The project is 72% complete. Mitsubishi Electric is exceeding its DBE commitment with a current DBE participation of 9.75%.

Small Business Commitment	5% DBE	Small Business Participation	9.75% DBE
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	DBE Subcontractors	Ethnicity	% Committed	Current Participation¹
1.	Excelsior Elevator Corp.	Asian Pacific American	5.00%	9.75%
Total			5.00%	9.75%

¹Current Participation = Total Actual amount Paid-to-Date to DBE firms ÷ Total Actual Amount Paid-to-date to Prime.

B. Living Wage and Service Contract Worker Retention Policy Applicability

A review of the current service contract indicates that the Living Wage and Service Contract Worker Retention Policy (LW/SCWRP) was not applicable at the time of award. Therefore, the LW/SCWRP is not applicable to this modification.

C. Prevailing Wage Applicability

Prevailing Wage requirements are applicable to this project. DEOD will continue to monitor contractors' compliance with the State of California Department of Industrial Relations (DIR), California Labor Code, and, if federally funded, the U S Department of Labor (DOL) Davis Bacon and Related Acts (DBRA).

D. Project Labor Agreement/Construction Careers Policy

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract. Project Labor Agreement/Construction Careers Policy is applicable only to construction contracts that have a construction contract value in excess of \$2.5 million.