



## Board Report

File #: 2023-0491, File Type: Contract

Agenda Number: 37.

### OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE SEPTEMBER 21, 2023

**SUBJECT: ELEVATOR AND ESCALATOR MAINTENANCE SERVICES**

**ACTION: APPROVE RECOMMENDATIONS**

#### **RECOMMENDATIONS**

AUTHORIZE the Chief Executive Officer to:

- A. EXECUTE Modification No. 14 to Contract No. OP710100003367 with Mitsubishi Electric USA, Inc. (MEUS) to perform comprehensive preventative maintenance, inspections, and repairs of elevators and escalators along with their associated systems and equipment in the amount of \$9,481,930, increasing the total not-to-exceed amount from \$110,310,554 to \$119,792,484 and extending the period of performance from November 1, 2023, to April 30, 2024; and
- B. EXECUTE individual contract modifications within the Board approved contract modification authority.

#### **ISSUE**

The existing contract with MEUS expires on October 31, 2023. Under this contract, MEUS is responsible for providing comprehensive maintenance, repair, and inspections of elevators and escalators systemwide, excluding Gateway Headquarters Building and Union Station East Portal. Approval of the recommendations is required to ensure service continuity for elevators and escalators within Gateway Headquarters Building, Union Station East Portal as well as the new units added as part of Metro's system expansion projects, post the warranty and maintenance period. Also, this action is critical to allow the time necessary to complete a new solicitation in progress with opportunities for small business participation and to finish the improvement projects that were initiated under this contract. These projects are necessary to address major repairs due to aging/obsolete infrastructure, that have been impacted by the current market conditions and supply chain issues, leading to increased pricing and extended lead times.

#### **BACKGROUND**

On August 25, 2016, the Metro Board of Directors awarded a seven-year, firm fixed unit rate Contract No. OP710100003367 to MEUS, to provide comprehensive elevator and escalator maintenance, inspection, and repair services systemwide excluding Gateway Headquarters Building and Union

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Station East Portal, effective November 1, 2016, through October 31, 2023. On October 22, 2020, the Metro Board of Directors awarded a 32-month, firm fixed unit rate Contract No. OP1680130003367 to Elevators, Etc., L.P. (EE), to provide comprehensive elevator and escalator maintenance services for Gateway Headquarters Building as well as Union Station East Portal, effective March 1, 2021, through October 31, 2023.

While a new solicitation for elevator and escalator maintenance services is in progress, and to allow sufficient time to finish the improvement projects initiated under the existing contracts, staff considered extending the period of performance for the two (2) existing contracts with MEUS and EE to ensure service continuity. Due to a commitment to a new project and a labor shortage, EE will not be able to perform any maintenance activities beyond October 31, 2023. Upon Board approval of the recommendations, MEUS will ensure service continuity for Metro's elevators and escalators systemwide, including all units currently maintained under the EE contract as well as the new units added as part of the system expansion projects, post the warranty and maintenance period.

MEUS has been providing satisfactory services performing preventative maintenance, inspections, repairs, critical cleaning, and as-needed services for Metro's elevators and escalators.

## **DISCUSSION**

Under the existing contract, MEUS is required to provide a systematic preventive maintenance program and timely repair of equipment to meet the State code requirements and provide a safe and reliable vertical transportation system for Metro patrons. Since the contract award, the scope of services has expanded to include an additional nine (9) elevators and four (4) escalators as part of Metro's system expansion projects for the Metro B Line (Red) Universal City Station Pedestrian Bridge, North Hollywood Station, K Line (Crenshaw/LAX) Division 16 and Location 64. In October 2023, the service area under this contract will further expand to include Metro K Line's (Crenshaw/LAX) 12 elevators and 14 escalators - increasing the number of elevators from 167 to 188 and the number of escalators from 136 to 154, for a total of 342 units systemwide.

With Board approval of this action, the service area under this contract will further expand in November 2023 to include units currently maintained under the contract with EE, with 28 elevators and seven (7) escalators located at Gateway Headquarters Building and Union Station East Portal, for a total of 35 additional units. The updated overall count of units maintained under the MEUS contract will be 216 elevators and 161 escalators, for a total of 377 units systemwide.

Significant improvements have been implemented under this contract, to enhance cleanliness for elevator hoistway glass and pit cleaning from an as-needed basis to twice a year, and for escalator step cleaning from twice a year to four times a year. State-of-good repair refurbishment projects have been an integral part of this contract, performing elevator floor replacement for 117 units at a cost of \$2 million, corrosion damage repairs to hoistway entrances and platforms at a cost of \$1.9 million, and escalator step tread replacement at a cost of \$430,000.

Additional ongoing projects to be completed under this contract include improvements identified upon surveying all units maintained within this contract. This includes modernizations for six (6) elevators with obsolete components at a cost of ~1.02 million, and one (1) escalator with obsolete parts at a

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cost of ~\$183,000, replacement of failed hydraulic jack for one (1) elevator at a cost of ~\$60,000, controller cabinet coolers for nine (9) escalators at a cost of ~\$90,000, elevator cab camera installations for four (4) elevators at a cost of ~\$107,000, elevator glass door replacement with solid stainless-steel doors for 20 elevators at a cost of ~\$433,000, escalator vandalized stop switch materials replacement for 54 escalators at a cost of ~\$45,000 and balustrade panel replacement for seven (7) escalators at a cost of ~\$225,000, for a total of ~\$2.2 million. These projects have already been initiated; however, due to the unprecedented market conditions and supply chain issues, costs have increased, and equipment manufacturing/delivery has been delayed.

As-needed services will also continue, repairing damage caused by water intrusion, vandalism, and misuse of units, replacement of obsolete parts, and upgrading existing equipment. These actions are critical to ensure service reliability, compliance with ADA requirements focused on accessibility for patrons with disabilities, maintaining a state of good repair, and remaining in compliance with State code requirements.

Under the existing contract with MEUS, terms for liquidated damages are included and designed to minimize equipment downtime, provide an incentive for the contractors to respond as well as 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.

The systemwide annual average unit availability Key Performance Indicator (KPI) for Metro's existing transit elevators is 98.85% and 98.75% for escalators. The elevator and escalator annual average KPIs measure units' availability while verifying the contractors' responsiveness and ability to maintain the units in operation. A units' availability is calculated taking into consideration the unit's downtime associated with scheduled maintenance and a contingency for unplanned downtime caused by misuse of units, vandalism, and/or technical matters.

A new competitive solicitation with opportunities for small business participation is in progress for two (2) new contract awards to provide the regulatory and critical preventative maintenance services for elevators and escalators. One (1) contract will service Gateway Headquarters Building and the second contract will provide services systemwide including Union Station East Portal. Approval of the recommendations will support service continuity systemwide and allow staff the time necessary to finish the solicitation in progress.

### **DETERMINATION OF SAFETY IMPACT**

The approval of these recommendations will provide continuity of maintenance services for elevators and escalators throughout Metro's transit system, Gateway Headquarters Building, and Union Station East Portal. This will also ensure compliance with State code requirements, and sustain high levels of equipment availability, to continue delivering safe, on-time, and reliable access to our patrons.

### **FINANCIAL IMPACT**

For elevator and escalator maintenance services, funding of \$14,484,468 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 Chief Operations Officer will be responsible for budgeting the cost in future fiscal years.

#### Impact to Budget

The current source of funds for this action consists of operating eligible sales tax funding including Propositions A/C, Measures R/M, and the Transportation Development Act. These fund sources are eligible for bus and rail operations.

#### EQUITY PLATFORM

Comprehensive elevator and escalator maintenance 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.

Metro customers, Metro staff, and Transit Ambassadors can report vandalism, cleanliness, and maintenance issues through the Customer Relations numbers posted throughout the rail and bus system. Customers have the option of communicating with Metro through nine (9) different languages using translation services. Metro also ensures translated signage is posted for those reporting vandalized or out of service elevators and escalators on the Metro system.

Under the existing contract, MEUS made a commitment of 7.51% for SBE and 3.05% for DVBE. The project is 82% complete with the current SBE participation at 9.78%, exceeding their commitment by 2.27%, and the current DVBE participation at 3.12%, exceeding their commitment by 0.07%.

#### 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 systemwide 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

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

#### NEXT STEPS

Upon approval by the Board, staff will execute Modification No. 14 to Contract No. OP710100003367

with MEUS, to continue providing comprehensive preventative maintenance, inspections, and repairs of elevators and escalators along with their associated systems and equipment.

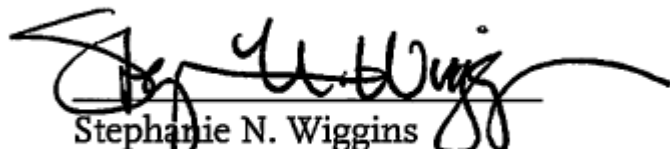
## **ATTACHMENTS**

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

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Stephanie N. Wiggins  
Chief Executive Officer

## PROCUREMENT SUMMARY

## ELEVATOR/ESCALATOR MAINTENANCE / OP710100003367

1.	<b>Contract Number:</b> OP710100003367			
2.	<b>Contractor:</b> Mitsubishi Electric USA, Inc. (MEUS)			
3.	<b>Mod. Work Description:</b> Continue existing services and extend the period of performance			
4.	<b>Contract Work Description:</b> To provide comprehensive preventative maintenance, inspection and repair of elevators and escalators, along with their associated systems and equipment, throughout the entire Metro system including Metro Gateway Headquarters and Union Station East Portal.			
5.	<b>The following data is current as of:</b> 8/11/23			
6.	<b>Contract Completion Status</b>		<b>Financial Status</b>	
	<b>Contract Awarded:</b>	11/1/16	<b>Contract Award Amount:</b>	\$ 75,077,960
	<b>Notice to Proceed (NTP):</b>	N/A	<b>Total of Modification Approved:</b>	\$ 35,232,594
	<b>Original Complete Date:</b>	10/31/23	<b>Pending Modification (including this action):</b>	\$ 9,481,930
	<b>Current Est. Complete Date:</b>	4/30/24	<b>Current Contract Value (with this action):</b>	\$119,792,484
7.	<b>Contract Administrator:</b> Aielyn Dumaua		<b>Telephone Number:</b> (213) 922-7320	
8.	<b>Project Manager:</b> Carlos Martinez		<b>Telephone Number:</b> (213) 922-6761	

**A. Procurement Background**

This Board Action is to approve Modification No. 14 to Contract No. OP710100003367 to provide comprehensive preventative maintenance, inspection, and repair of elevators and escalators, along with their associated systems and equipment, throughout the entire Metro system, including the Metro Gateway Headquarters and Union Station East Portal. This Modification will also extend the period of performance from November 1, 2023, to April 30, 2024.

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

A total of 13 modifications have been issued to date.

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

## B. Price Analysis

Proposed fully burdened rates and escalation rates for the extended term (including Metro Gateway building the Union Station East Portal and as-needed services) are determined to be fair and reasonable based on price analysis, independent cost estimate (ICE), technical analysis, and the current Department of Labor and Statistics' indices for changes in private industry workers' salaries and commodity prices. MEUS maintained existing rates for the first 2 months of the 6-month extension period, while an escalation rate of up to 5.6% shall be effective January 1, 2024, to cover agreed-upon wage adjustments with the International Union of Elevator Constructors (IUEC) and increases in material cost.

<b>Proposed Amount</b>	<b>Metro ICE</b>	<b>Recommended Amount</b>
\$9,481,930	\$9,510,465	\$9,481,930

**CONTRACT MODIFICATION/CHANGE ORDER LOG**  
**ELEVATOR/ESCALATOR MAINTENANCE / OP710100003367**

<b>Mod. No.</b>	<b>Description</b>	<b>Status (approved or pending)</b>	<b>Date</b>	<b>Amount</b>
1.	Increase contract authority due to the addition of two escalator units at the Universal City Pedestrian Bridge.	Approved	10/13/17	\$ 291,657
2.	Increase contract authority due to the addition of two escalator units at the North Hollywood Station.	Approved	1/31/18	\$ 255,200
3.	Increase contract authority due to the addition of three escalator units at the Universal Pedestrian Bridge.	Approved	11/11/18	\$ 210,719
4.	Increase contract authority due to the addition of two elevator units at the North Hollywood Station.	Approved	8/1/19	\$ 413,322
5	Increase contract authority to provide funding two escalator units at the Universal City Pedestrian Bridge to cover maintenance services for years 3 and 4 of the base term.	Approved	10/1/19	\$ 311,226
6	Increase contract authority to cover maintenance services of four additional elevator units (2 units at Location 64 and another 2 units at Division 16); and discontinue maintenance services on two (2) escalators units (1 unit at Location 61 and another unit at MGL Willowbrook/Rosa Parks).	Approved	12/9/19	\$ 172,000
7	Amend the Statement of Work to revise invoice submittal requirements.	Approved	6/18/20	\$ 0
8	Amend the Statement of Work to require the submission of Contractor's employee timesheet as supporting documentation for invoices.	Approved	1/12/21	\$ 0
9	Amend the Statement of Work to require the submission of maintenance records/reports on inoperable units.	Approved	5/11/21	\$ 0



<b>Mod. No.</b>	<b>Description</b>	<b>Status (approved or pending)</b>	<b>Date</b>	<b>Amount</b>
10	Exercise Two Year Option and extend the period of performance (POP) through 10/31/23	Approved	10/31/21	\$ 32,592,290
11	Continue existing services	Approved	1/30/23	\$ 500,000
12	Add a DVBE subcontractor	Approved	4/10/23	\$ 0
13	Continue existing services	Approved	7/17/23	\$ 486,180
14	Continue existing services, including Metro Gateway building and Union Station East Portal, and extend POP through April 30, 2024	<b>Pending</b>	<b>Pending</b>	<b>\$ 9,481,930</b>
	<b>Modification Total:</b>			<b>\$ 44,714,524</b>
	<b>Original Contract:</b>		<b>11/1/16</b>	<b>\$ 75,077,960</b>
	<b>Total Contract Value:</b>			<b>\$ 119,792,484</b>

## DEOD SUMMARY

## ELEVATOR AND ESCALATOR MAINTENANCE SERVICES/OP710100003367

**A. Small Business Participation**

Mitsubishi Electric US, Inc. Elevator and Escalator Division (MEUS) made a 7.51% Small Business Enterprise (SBE) and a 3.05% Disabled Veterans Business enterprise (DVBE) commitment on this contract. Based on payments, the contract is 82% complete and the current level of participation is 9.78% SBE and 3.12% DVBE, exceeding the SBE and DVBE commitments by 2.27% and 0.07%, respectively.

<b>Small Business Commitment</b>	<b>7.51% SBE 3.05% DVBE</b>	<b>Small Business Participation</b>	<b>9.78% SBE 3.12% DVBE</b>
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	<b>SBE Subcontractors</b>	<b>% Committed</b>	<b>Current Participation<sup>1</sup></b>
1.	Elevators ETC, LP	2.78%	2.99%
2.	Elite Escalator, Inc,	1.85%	2.48%
3.	Excelsior Elevator Corporation	2.82%	3.34%
4.	Lift Solutions, Inc.	0.06%	0.97%
	<b>Total</b>	<b>7.51%</b>	<b>9.78%</b>

	<b>DVBE Subcontractors</b>	<b>% Committed</b>	<b>Current Participation<sup>1</sup></b>
1.	Vintage Elevator Services, Inc.	3.05%	3.12%
2.	Double Tap Specialty Cleaning	Added	0.00%
	<b>Total</b>	<b>3.05%</b>	<b>3.12%</b>

<sup>1</sup>Current 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.