



**Metro**

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Metropolitan Transportation Authority

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**MAY 18, 2016**

**TO:** BOARD OF DIRECTORS

**THROUGH:** PHILLIP A. WASHINGTON *PAW*  
CHIEF EXECUTIVE OFFICER

**FROM:** IVAN PAGE *Page*  
INTERIM EXECUTIVE DIRECTOR  
VENDOR/CONTRACT MANAGEMENT

CAROLINA COPPOLO *Coppolo*  
EXECUTIVE OFFICER  
VENDOR/CONTRACT MANAGEMENT

**SUBJECT:** UNIFORM RENTAL SERVICES REPROCUREMENT

**ISSUE**

At the January 2016 Board meeting, the Board approved Item #40 for a contract award with Prudential Overall Supply (POS) to provide uniform rental services for a not-to-exceed amount of \$3,108,087 for a three-year term. POS made a 0% Small Business Enterprise (SBE) commitment as part of their bid. Staff only recommended the base three-year award to demonstrate Metro's commitment to the Small Business Program, although the solicitation included two, one year option terms. POS has taken the position with Metro that they will not sign Metro's contract because the option terms were not included as part of the award. This Board Box provides advance notification of Metro's intent to extend the current contract for uniform services while a reprocurement is conducted.

**BACKGROUND**

In accordance with the ATU and TCU Collective Bargaining Unit agreements, Metro is required to provide each of the units up to 11 uniforms per employee, along with uniform laundry services. Under the current contract, uniform rental services are provided to over 2,300 Metro represented labor employees, as well

as providing vehicle seat covers and laundry services for hand towels and floor mats. The existing uniform rental services contract with POS expires on June 30, 2016. A new contract with POS was approved and awarded by the Board on January 28, 2016. The new contract was procured as an Invitation for Bids (IFB) and included a 5% SBE goal, with a base term of three years, and two, one year option terms. As this was a non-federally funded IFB, low bid process, meeting the SBE goal could not be a condition of award under current state law. POS was the only firm who submitted a bid in response to the IFB. POS made a 0% SBE commitment. As a result, the contract award recommendation only included the base three-year term to demonstrate Metro's commitment to the Small Business Program.

Upon sending the new contract to POS for their review and signature, POS expressed financial concerns regarding the elimination of the option years. POS asserted that they amortized their pricing over all five years of the contract, even though the option terms were not guaranteed, and would suffer a loss of revenue with the elimination of the option terms. POS requested that Metro either (1) provide additional compensation beyond their submitted bid; or (2) reinstate the two, one year options to the contract award. Metro staff reminded POS that the option terms were not guaranteed and would have only been exercised at Metro's sole discretion, with future Board approval. In addition, Metro informed POS that by submitting a bid in response to the IFB, they had agreed to the terms and conditions of the contract and Metro would not provide additional compensation beyond their submitted bid. POS and Metro had several discussions regarding the issue. Ultimately, POS has refused to sign the new contract.

### **NEXT STEPS**

To avoid service interruption, staff will bring to the June Board meeting a recommendation to extend the current contract with POS, at an increase to the contract value, to allow time for the reprocurement of uniform rental services. Staff intends to issue a Request for Proposals wherein meeting the SBE goal is a condition of responsiveness and award. Staff will work diligently to conduct market outreach to the uniform services industry in an effort to increase competition and increase the opportunity for small business participation. Staff intends to return to the Board in late 2016 to award a new contract for uniform rental services.

Attachment A – January Board Meeting Agenda Number 40 Report



## Board Report

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File #:2015-1696, File Type:Contract

Agenda Number:40.

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### SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE JANUARY 21, 2016

**SUBJECT: UNIFORM RENTAL SERVICES**

**ACTION: APPROVE CONTRACT AWARD**

#### **RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to award a three-year firm fixed unit rate **Contract No. OP4086600 for Uniform Rental Services with Prudential Overall Supply**, for a not-to-exceed amount of \$3,108,087.06 effective April 1, 2016 through March 31, 2019.

#### **ISSUE**

Per the current ATU and TCU Collective Bargaining Units' agreements, Metro is required to provide each of the units up to 11 uniforms per employee, along with uniform laundry services.

The existing uniform rental services Contract OP30002227 with Prudential Overall Supply will expire on June 30, 2016. A new contract award is required effective April 1, 2016 to avoid uniform rental service interruption and to ensure timely issuance of new uniforms to all employees.

#### **DISCUSSION**

Under the existing contract, uniform rental services are provided to over 2,300 Metro represented labor employees supporting the Metro system, as well as providing vehicle seat covers and laundry services for hand towels and floor mats. Several uniform options are provided including but not limited to coveralls, sets of shirts and pants with male or female fit options, as well as Fire Resistant garments.

Metro staff has been actively working with the contractor as well as Metro represented employees to improve service delivery through developing new procedures and improving communications among parties involved. Staff will continue to proactively work with the contractor and encourage them to explore opportunities for small business participation.

Uniform rental and laundry services are necessary to ensure compliance with safety requirements and provide a safe and clean working environment to Metro employees and the public.

Staff will continue to do outreach to the uniform industry during this contract term to attempt to find more viable bidders. This will be done with the intent to include a greater opportunity for small business involvement.

### **DETERMINATION OF SAFETY IMPACT**

The approval of this item will ensure the supply of uniforms that clearly identify Metro represented labor employees and continue delivering safe, quality, on-time and reliable services system-wide.

### **FINANCIAL IMPACT**

Funding of \$260,000 for this contract is included in the FY16 budget in multiple maintenance cost centers, account - 50215 (F/B Uniforms), projects 306002 (Bus Operations), 300022 (Blue Line Operations), 300033 (Green Line Operations), 300044 (Red Line Operations), 300055 (Gold Line Operations), 301012 (Orange Line Operations), and 300066 (Expo Line).

Since this is a multi-year contract, the cost center manager and Operations will be accountable for budgeting the cost in future fiscal years including any option exercised.

### **Impact to Budget**

The current year funding for this action will come from the Enterprise operating fund. The source of funds for this procurement will come from State and local funding sources that are eligible for Bus and Rail Operating or Capital Projects. These funding sources will maximize the use of funds for these activities. This activity is part of Metro's on-going maintenance costs.

### **ALTERNATIVES CONSIDERED**

Staff considered purchasing uniforms, hand towels, mats, and vehicle seat covers, along with providing in-house laundry services. 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 contract PS16407 to Prudential Overall Supply, to provide uniform rental and laundry services effective April 1, 2016.

### **ATTACHMENTS**

Attachment A - Procurement Summary  
Attachment B - DEOD Summary

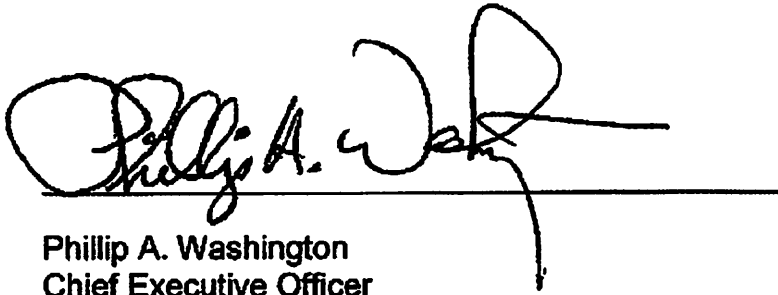
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Phillip A. Washington  
Chief Executive Officer

## PROCUREMENT SUMMARY

## UNIFORM RENTAL SERVICES/OP4086600

1.	<b>Contract Number:</b> OP4086600	
2.	<b>Recommended Vendor:</b> Prudential Overall Supply	
3.	<b>Type of Procurement (check one):</b> <input checked="" type="checkbox"/> IFB <input 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 26, 2015	
	<b>B. Advertised/Publicized:</b> August 26, 2015	
	<b>C. Pre-proposal/Pre-Bid Conference:</b> September 9, 2015	
	<b>D. Proposals/Bids Due:</b> September 30, 2015	
	<b>E. Pre-Qualification Completed:</b> October 7, 2015	
	<b>F. Conflict of Interest Form Submitted to Ethics:</b> October 8, 2015	
	<b>G. Protest Period End Date:</b> January 27, 2016	
5.	<b>Solicitations Picked up/Downloaded:</b> 5	<b>Bids/Proposals Received:</b> 1
6.	<b>Contract Administrator:</b> Rommel Hilario	<b>Telephone Number:</b> (213) 922-4654
7.	<b>Project Manager:</b> Carlos Martinez	<b>Telephone Number:</b> (213) 922-6761

**A. Procurement Background**

Actions to competitively procure a new contract for Uniform Rental Services began in April 2015 with the release of a Request for Proposals (RFP) as full and open public competition to provide the services. One proposal from Prudential Overall Supply was received. Metro staff determined that the proposal from Prudential Overall Supply did not meet the SBE/DVBE and Living Wage requirements set forth in the RFP. Subsequently, the proposal was deemed non-responsive and the procurement was canceled. Metro staff reprocured the Uniform Rental Services program as an Invitation for Bid (IFB), modifying the solicitation in an effort to increase competition and attract more companies to do business with Metro.

This Board Action is to approve contract award in support of Facility Maintenance to provide uniform rental services to over 2,300 Metro represented labor employees supporting the Metro system, as well as providing vehicle seat covers and laundry services for hand towels and floor mats as outlined in IFB No. PS16407.

The IFB was issued as a competitive procurement in accordance with Metro's Acquisition Policy. The contract type is firm fixed unit price.

One amendment was issued during the solicitation phase of this IFB:

- Amendment No. 1, issued on September 21, 2015, provided bidders with pre-bid conference documents including sign in sheets, living wage rate documents, and the Planholder's list.

A pre-bid conference was held on September 9, 2015. A total of one bid was received on September 30, 2015.

Metro staff conducted a market survey to determine why there were no other bid submittals as per the Acquisition Policy and Procedures Manual. Two firms responded with the following reasons:

1. Potential bidder chose to focus on other opportunities.
2. Potential bidder could not provide a competitive bid since they did not have appropriate resources available.

Based on the market survey, it was determined that the solicitation was not restrictive and the decisions not to bid were based on individual business considerations as affirmed by the responses. Adequate competition exists as the solicitation was performed in an environment where all bidders believed that competition was available. Based on the market survey, there is no evidence that a new procurement would result in a different outcome. Therefore, this solicitation can be awarded as a competitive award.

Prudential Overall Supply did not make a Small Business Enterprise commitment. Although, the solicitation originally included two, one year options, staff is only recommending the base three-year award.

**B. Evaluation of Bids**

This procurement was conducted in accordance, and complies with, standard Procurement policies and procedures for a competitive sealed bid. One bid was received from the incumbent, Prudential Overall Supply. The firm was determined to be responsive, responsible and qualified to perform the required services based on the IFB's minimum requirements and technical evaluation by the Project Manager. Reference checks were conducted which resulted in positive remarks.

**C. Cost/Price Analysis**

The recommended pricing for the contract is determined to be fair and reasonable based on price analysis, historical comparison with the current contract pricing, and technical evaluation. Prudential's bid price utilizes the same unit prices as the current contract. Adequate competition existed as the solicitation was conducted in a competitive environment where multiple firms were capable of submitting bids.

<b>BIDDER</b>	<b>BID AMOUNT</b>	<b>METRO ICE*</b>	<b>AWARD AMOUNT</b>
Prudential Overall Supply	\$3,108,087	\$1,858,174\$2,566,853	\$3,108,087

\* The ICE amount for this IFB solicitation took into consideration the previous solicitation proposal received for a three year base total of \$1,675,033. That solicitation was cancelled as the proposer did not meet the SBE/DVBE and Living Wage requirements set forth in the RFP. However, staff subsequently learned the proposer made an error in the pricing under the previous solicitation, but staff was not aware of the error at the time the ICE was prepared. The ICE would be adjusted to \$2,566,853.

**D. Background on Recommended Contractor**

Prudential Overall Supply is an American company with headquarters in Commerce, California. The company was founded in 1932 as a uniform and textile laundry service, serving industrial clients such as automotive production facilities. The company currently serves municipal, industrial and service industry companies. Prudential Overall Supply specializes in offering a variety of uniform programs and is a supplier of facility services and industrial products such as dust control mops, towels, mats, restroom supplies and paper products. Prudential Overall Supply customers' includes more than 300 companies that have been utilizing the company's services for more than 35 years. In addition to currently providing the service to Metro, they also provide uniforms to the Orange County Transportation Authority.



## DEOD SUMMARY

## UNIFORM RENTAL SERVICES/OP4086600

**A. Small Business Participation**

The Diversity and Economic Opportunity Department (DEOD) established a 5% Small Business Enterprise (SBE) goal for this solicitation. Meeting the goal is neither a condition of award nor an issue of responsiveness. Prudential Overall Supply did not make an SBE commitment and is not eligible for the SBE preference.

According to guidance provided by County Counsel, SBE goals on non-federally funded IFBs cannot be a condition of award because Metro can only award to the lowest bidder in accordance with Section 130232(5) of the California Public Utilities Code. Staff is working with Government Relations to sponsor a draft bill requesting a legislative change to the Public Utilities Code. This change would authorize Metro's ability to require meeting the SBE goal as a condition of award. Bidders recommended for award who did not meet the goal are strongly encouraged to identify opportunities for SBEs throughout the life of the contract.

<b>Small Business Goal</b>	<b>5% SBE</b>	<b>Small Business Commitment</b>	<b>0%</b>
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**B. Living/Prevailing Wage and Service Contract Worker Retention Policy Applicability**

The Living Wage and Service Contract Worker Retention Policy (LW/SCWRP) will be applicable on this contract. Metro staff will monitor and enforce the policy guidelines to ensure that workers are paid at minimum, the current Living Wage rate of \$16.04 per hour (\$11.17 base + \$4.87 health benefits), including yearly increases. In addition, contractors will be responsible for submitting the required reports for the LW/SCWRP and other related documentation to staff to determine overall compliance with the policy.

**C. Prevailing Wage Applicability**

Prevailing wage is not applicable to this contract.

**D. Project Labor Agreement/Construction Careers Policy**

Project Labor Agreement/Construction Careers Policy is not applicable to this contract.