



Los Angeles County
Metropolitan
Transportation
Authority

SUBJECT: OUTSIDE PRINTING SERVICES

ACTION: PROVIDE FUNDING FOR OUTSIDE PRINTING SERVICES

One Gateway Plaza
Los Angeles, CA
90012

213.922.6000

RECOMMENDATION

- A. Authorize the Chief Executive Officer to increase the contract value for the bench contracts for outside printing services in the amount of \$2,500,000 revising the total Bench Contract Value from \$700,000 to \$3,200,000, for the period June 1, 2003 through May 30, 2006.

CONTRACTOR	CONTRACT NUMBER
Chromatic Lithographers	PS03646002-A
Dual Graphics	PS03646002-B
Graphic Press	PS03646002-C
Pacific Graphics	PS03646002-D
Peaks and Associates	PS03646002-E

- B. Authorize the Chief Executive Officer to execute task orders under these contracts for print services for the additional \$2,500,000.

RATIONALE

In April 2003, MTA established a bench of qualified printers to provide specialized printing services on an as-needed basis. Five firms were awarded indefinite quantity/delivery type contracts, with the initial Board approved cumulative total amount not to exceed \$700,000. Additional contract value is required due to an assessment of outside printing needs by the Communications department upon assuming responsibility for the print shop and the outside printing services contracts in July 2003. As a result of MTA's efforts for increased positive communications with our ridership, the MTA is requiring more printing services than originally projected when the contract was first presented to the Board for approval.

MTA requires the use of outside printing firms for printing services that are beyond the capabilities of the in-house print shop. Such services include printing

of marketing materials, specialty and/or multi-color brochures, posters and other essential public literature. The MTA print shop meets most of the demands for two-color printing and forms production, however, the capacity and capabilities of the print shop do not meet the demand for specialized printing services. The established bench represents the best available resources and each print job is presented to the entire bench and awarded to the lowest bidder.

The original contract amount was formulated based upon the expectation of the acquisition of additional advanced capabilities equipment, and the historical volume required of the previous outside printing services contract. Due to state funding cutbacks, the capital project for additional equipment has been postponed. Also, the MTA has increased its emphasis on customer communications to improve the image of the MTA, most of which is beyond the capabilities of the current equipment of MTA's print shop.

Many of the MTA brochures feature multi-colors and the print shop is limited to two-color and black and white processes. In customer communications the MTA emphasizes rail and rapid bus routes based on multiple colors, as it is important to continue to identify the color association in all of our publications for the ease of education and to promote growth in ridership.

The extensive marketing campaign for the opening of the Metro Gold Line and the number of route schedule changes as a result of the unusually large "shake-up" of June 2003, are examples of printing requirements, along with the increased emphasis on customer communications, that have increased the frequency with which outside printing services are required. As a result, staff forecasts the current cumulative contract amount will be insufficient to meet future needs and, therefore, requests the subject increase.

BACKGROUND

Historically, the MTA's Printing Services Department has been quite effective in producing frequently required materials such as timetables, business forms, and two-color marketing materials. However, there are circumstances that require printed materials in a volume and/or within limited time constraints that often exceed in-house capabilities. In addition, various marketing campaigns and communication efforts require large volumes of four-color or specialty materials, which Printing Services does not have the equipment to produce.

For the past ten years, MTA has met these printing services requirements successfully by sending work of this nature to the lowest priced, qualified, outside printing firm. This contract amendment continues that practice.

IMPACT TO OTHER CONTRACTS

There is no impact to any other contract held by the MTA.

FINANCIAL IMPACT

The funding of \$470,000 for this additional contract value is included in the FY04 budget in cost center 6450, Graphic Services, under project number 100001. Since this is a multi-year contract,

the cost center manager and Executive Officer will be accountable for budgeting the cost in future years, including any option exercised. In FY03, \$518,715 was expended on outside printing services.

ALTERNATIVES CONSIDERED

The alternative to using outside contractors is to increase MTA's internal capability to handle all printing requirements in-house. This alternative is not recommended since it would require extensive expansion of the MTA Printing Services Department, including costly additional equipment for specialty printing. Due to current budget constraints, this would not be a cost-effective alternative.

ATTACHMENTS

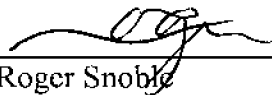
Procurement Summary

1. Attachment A
2. Attachment A-1
3. Attachment A-2

Prepared by: Warren Morse, Deputy Executive Officer, Marketing and Customer Relations



Matt Raymond
Chief Communications Officer



Roger Snoble
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

OUTSIDE PRINTING SERVICES

1.	Contract Number: PS03646002 (A through E)		
2.	Recommended Vendor(s): Chromatic Lithographers PS03646002-A Dual Graphics PS03646002-B Graphic Press PS03646002-C Pacific Graphics PS03646002-D Peaks & Associates PS03646002-E		
3.	Cost/Price Analysis Information: Indefinite Delivery/Quantity Task Order Contracts		
	A. Proposed Price:	Recommended Price:	
	B. Details of Cost/Price Analysis are in Attachment A-1.D		
4.	Contract Types: Indefinite Delivery/Quantity		
5.	Procurement Dates:		
	A. Issued: N/A		
	B. Advertised: N/A		
	C. Pre-bid/proposal Conference: N/A		
	D. Bids/Proposals Due: N/A		
	E. Pre-Qualification Completed: N/A		
	F. Conflict of Interest Form Submitted to Ethics: March 14, 2003		
6.	Small Business Participation:		
	A. Bid/Proposal Goal: 5% DBE	Date Small Business Evaluation Completed: March 18, 2003	
	B. Small Business Commitment:		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: N/A	Bid/Proposals Picked up: N/A	Bid/Proposals Received: N/A
8.	Evaluation Information:		
	A. Bidders/Proposers Names:	<u>Bids/Proposals Amount</u>	<u>Best and Final Offer Amount:</u>
	Evaluation Methodology: N/A		
9.	Protest Information:		
	A. Protest Period End Date: N/A		
	B. Protest Receipt Date: N/A		
	C. Disposition of Protest Date: N/A		
10.	Contract Administrator: Linda Wasley	Telephone Number: 922-4186	
11.	Project Managers: Robert Hartert	Telephone Number: 922-4353	

BOARD REPORT ATTACHMENT "A-1"
PROCUREMENT SUMMARY

OUTSIDE PRINTING SERVICES

A. Background of Contractor

A bench of five printing services firms was established in April 2003 to provide the outside printing requirements on an as-needed basis.

Chromatic Lithographers is a woman-owned company that was established in 1978. The firm is located in Glendale, California and employs approximately 100 individuals, and operates two 8-12 hour (daily) shifts for specialized printing work.

Dual Graphics is a Los Angeles-based firm established in 1977 that operates twenty-four hours a day on three shifts, and employs a staff of ninety-five persons as a multi-purpose printing firm.

Graphics Press has applied for DBE certification and their DBE status is pending. The firm employs over 200 individuals at its primary production facility in Los Angeles for graphics print work.

Pacific Graphics International (PGI) is a woman-owned firm that has provided similar printing services in the Los Angeles area for over two decades.

Peaks & Associates (Peaks) is a woman-owned printing services broker that was established in 1994. Peaks is a DBE-certified firm. If assigned a particular task order under the terms of the contract, Peaks will oversee a consortium of experienced printing services firms in the Los Angeles area in the performance of that particular task.

B. Procurement Background

The MTA Board of Directors approved a bench of five qualified vendors in April 2003 for an aggregate not to exceed contract value of \$700,000. The bench was established by a negotiated procurement through the process approved by the MTA. All of the firms that participated in the procurement were evaluated based on their technical capabilities, work plan, past performance, ability to meet deadlines, and sample pricing. It is not necessary to recompute the expansion of expected work under this contract, as the original procurement was advertised and released without an expected dollar amount of the cumulative contracts and the description of the expected work does not change as a result of this amendment. Each of the tasks is competed within the bench for price, and task orders are awarded to the lowest bidder who can meet the delivery requirements.

The Small Business Diversity Unit (SBD) recommended a Disadvantaged Business Enterprise (DBE) participation goal of five percent (5%) overall for this competitive procurement.

C. Evaluation of Proposals

The proposals received in April 2003 were evaluated in compliance with MTA policies and procedures. Each subsequent task order is awarded to the lowest bidder within the bench.

D. Cost/Price Analysis

Individual task orders are issued under the terms of the contract based upon competitive bids within the bench.

**BOARD REPORT ATTACHMENT "A-2"
LIST OF SUBCONTRACTORS**

OUTSIDE PRINTING SERVICES

PRIME CONTRACTOR – Chromatic Lithographers

Small Business Commitment

5%

Total Commitment 5%

Other Subcontractors

Printmasters
Colorgraphics

PRIME CONTRACTOR – Dual Graphics

Small Business Commitment

5%

Total Commitment 5%

Other Subcontractors

Printmasters

PRIME CONTRACTOR – Peaks & Associates

Small Business Commitment

5%

Total Commitment 5%

Other Subcontractors

Beckett & Beckett, Inc.
Whittier Graphics
Crest Graphics, Inc.
Ace Commercial Inc.
TypeCraft
Capitol Press
AccuForms, Inc.

PRIME CONTRACTOR – Graphic Press

Total Commitment 5%

PRIME CONTRACTOR – Pacific Graphics

Total Commitment 5%

SMALL BUSINESS PARTICIPATION (Contract #PS-0364-6002-A-E)

This Task Order (TO) bench contract for as-needed outside printing services was awarded on April 24, 2003 and is approximately 10% complete. There are five firms with individual contracts on this bench. Each firm committed to a 5% Disadvantaged Business Enterprise (DBE) participation goal for the life of the contract. To date, there have been 53 task orders awarded. Below is information pertinent to each individual contract.

Original Award Amount \$700,000.00

PRIME: Chromatic Lithographers (PS-0364-6002 A) total paid to date: \$14,764.22

Subcontractor's Name	Commitment	Current Attainment ¹	Current Participation ³	Current Status
Printmaster	TO	0%	0%	To Perform
TOTAL	5%	0%	0%	To Perform

PRIME: Dual Graphics (PS-0364-6002 B) total paid to date: \$269,017.17

Subcontractor's Name	Commitment	Current Attainment ¹	Current Participation ³	Current Status
Printmaster	TO	0%	0%	To Perform
TOTAL	5%	0%	0%	To Perform

PRIME: Graphic Press (PS-0364-6002 C) total paid to date: \$0

Prime's Name	Commitment	Current Attainment ¹	Current Participation ³	Current Status
Graphic Press	TO	0%	0%	To Perform
TOTAL	5%	0%	0%	To Perform

PRIME: Pacific Graphics (PS-0364-6002 D) total paid to date: \$84,696.55

Prime's Name	Commitment	Current Attainment ¹	Current Participation ³	Current Status
Pacific Graphics *	TO	100%	100%	Performing
TOTAL	5%	100%	100%	Exceeding

PRIME: Peaks and Associates (PS-0364-6002 E) total paid to date: \$54,292.08

Prime's Name	Commitment	Current Attainment ¹	Current Participation ³	Current Status
Peaks and Associates (broker) *	TO	8%	8%	Performing
TOTAL	5%	8%	8%	Exceeding

¹Current Attainment = Total Actual Amount Paid-to-Date to Subs ÷ Total Current Contract Amount

²Current Contract Amount = Original Contract Amount + Contract Cost Modifications

³Current Participation = Total Actual Amount Paid-to-Date to Subs ÷ Total Actual Amount Paid-to-Date to Prime

*Indicates a DBE Prime.

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

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PRIME CONTRACTOR – Graphic Press

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PRIME CONTRACTOR – Pacific Graphics

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