

**Board Report**

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**File #:** 2015-1166, **File Type:** Contract

**Agenda Number:** 48.

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**SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE  
SEPTEMBER 17, 2015**

**SUBJECT: UNIFORM RENTAL SERVICES**

**ACTION: APPROVE CONTRACT MODIFICATION**

**RECOMMENDATION**

AUTHORIZING the Chief Executive Officer to execute Modification No. 8 to Contract OP30002227 for **Uniform Rental services with Prudential Overall Supply** in the amount of \$780,000 increasing the contract value from \$3,735,029 to \$4,515,029. This modification also extends the period of performance through June 30, 2016.

This contract provides on-going uniform rental services, vehicle seat covers, and laundry services for hand towels and floor mats.

**ISSUE**

Per the current ATU and TCU Collective Bargaining units' agreements, Metro is required to provide each of the units' employees up to 11 uniforms per employee, as well as provide laundry services for such regulation uniforms.

The existing uniform rental services Contract OP30002227 with Prudential Overall Supply will expire on November 30, 2015. However, in March 2015, the scope of work was expanded to include 146 additional Metro represented labor employees to receive flame resistant (FR) garments to ensure compliance with safety requirements. Therefore, there are insufficient funds remaining within the current contract and additional funding is required to continue providing the necessary uniforms.

Although procurement actions were initiated months ago to replace the current contract and award a new contract, a single proposal was received that did not meet Metro's DBE goal or good faith efforts, and living wage requirements. Therefore, the proposal was deemed technically unacceptable and the procurement was cancelled. Considering the type of service being provided, a new modified solicitation is being issued in the near term in an effort to increase competition and attract more companies to do business with Metro.

To avoid uniform rental service interruption, a contract modification is required to extend the period of performance and increase contract expenditure authority while the new procurement processes are completed.

## **DISCUSSION**

Beginning April 2011, 91 Metro represented labor employees were issued FR garments, as well as additional towels and mats were added to this contract. As of February 2013, the Metro uniform program location list was modified to add Metro's Expo Phase I Line and provide uniform rental services to Metro's represented labor employees supporting work along the Expo Line. Furthermore, as of March 2015, an additional 146 Metro represented labor employees were issued FR garments. These actions were taken to ensure compliance with safety requirements and provide a safe and clean working environment to Metro employees and the public.

Currently under this 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.

To avoid service interruptions, continue providing the necessary uniform rental program and services, and allow sufficient time to perform all necessary administrative processes associated with contract closeout and changeover, a contract modification is required to extend the period of performance through June 30, 2016 and increase contract expenditure authority while all related procurement actions are completed.

## **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 \$780,000 for this contract is included in the F16 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).

### **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 Federal, 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 Board approval, staff will execute Modification No. 8 with Prudential Overall Supply under the current Contract OP30002227 to continue providing uniform rental and laundry program services until the replacement contract begins.

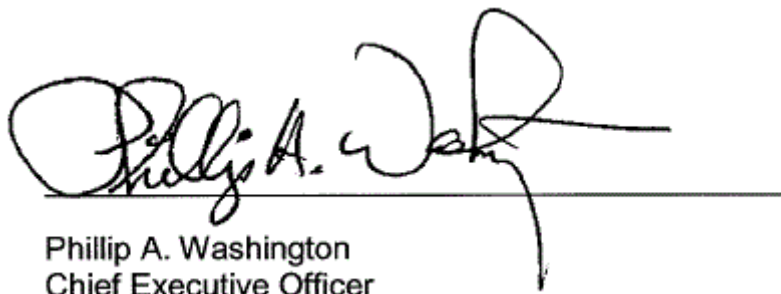
**ATTACHMENTS**

Attachment A - Procurement Summary  
Attachment B - Contract Modification/Change Log

Prepared by: Brady Branstetter, Director, Facilities Maintenance, (213) 922-6767  
Lena Babayan, Facilities Maintenance Manager, (213) 922-6765

Questions: Christopher Reyes, Transportation Planning Manager III,  
Operations (213) 922-4808

Reviewed by: James T. Gallagher, Chief Operations Officer, (213) 922-4424  
Ivan Page, Interim Executive Director, Vendor/Contract Management, (213) 922-6383



Phillip A. Washington  
Chief Executive Officer

PROCUREMENT SUMMARY

UNIFORM RENTAL SERVICES/OP30002227

1.	<b>Contract Number:</b> OP30002227		
2.	<b>Contractor:</b> Prudential Overall Supply		
3.	<b>Mod. Work Description:</b> Additional Funding and Extend the Period of Performance		
4.	<b>Contract Work Description:</b> Uniform Rental Services		
5.	<b>The following data is current as of:</b> August 5, 2015		
6.	<b>Contract Completion Status</b>		<b>Financial Status</b>
	<b>Contract Awarded:</b>	11/19/08	<b>Contract Award Amount:</b> \$2,538,329
	<b>Notice to Proceed (NTP):</b>	N/A	<b>Total of Modifications Approved:</b> \$1,196,700
	<b>Original Complete Date:</b>	11/30/15	<b>Pending Modifications (including this action):</b> \$780,000
	<b>Current Est. Complete Date:</b>	6/30/16	<b>Current Contract Value (with this action):</b> \$4,515,029
7.	<b>Contract Administrator:</b> Rommel Hilario		<b>Telephone Number:</b> 213-922-4654
8.	<b>Project Manager:</b> Matthew Rubi		<b>Telephone Number:</b> 213-922-6773

**A. Procurement Background**

This Board Action is to approve Modification No. 8 to Contract OP30002227 for Uniform Rental Services with Prudential Overall Supply in the amount of \$780,000 increasing the contract value from \$3,735,029 to \$4,515,029. This modification also extends the period of performance through June 30, 2016. In addition to providing on-going uniform rental services, the contract provides laundry services for uniforms, hand towels and floor mats.

A total of seven modifications have been executed to date. Refer to Attachment B – Contract Modification/Change Order Log.

The purpose of this modification is to allow staff sufficient time to issue another solicitation, as the most recent procurement did not result in an award recommendation, as detailed below.

Actions to competitively procure a new contract for Uniform Rental Services began on April 16, 2015 with the release of a Request for Proposal (RFP) – Best Value

Technical Trade-off, which was issued in accordance with Metro's Acquisition Policy and Procedure Manual and the contract type is Firm Fixed Unit Rate.

The RFP was released on April 16, 2015, as full and open public competition for services.

The Diversity & Economic Opportunity Department (DEOD) recommended an 8% goal for this solicitation, consisting of a 5% Small Business Enterprise (SBE) goal and a 3% Disabled Veteran Business Enterprise (DVBE) goal. The submission of SBE and DVBE commitments meeting the goals or Good Faith Efforts was a condition of contract award.

A pre-proposal conference was held on April 29, 2015, and was attended by eight participants representing three firms. There were 10 firms that downloaded the RFP and were included on Metro's planholders' list.

One proposal, submitted by Prudential Overall Supply (the incumbent), was received on June 15, 2015. 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, on June 29, 2015, the proposal was deemed non-responsive and the procurement was cancelled.

Since Metro did not receive a responsive proposal, staff conducted a market survey of planholders to determine why there were no other proposers. The following is a summary of the market survey:

1. Potential proposer could not meet the SBE goal requirement. The proposer chose the non-SBE subcontractors that can handle the volume for the project. In addition, the proposer could not claim to be 100% in compliance with the Living Wage requirement.
2. Potential proposer felt that it was not in its financial best interest to submit a proposal.

Based on the market survey, Metro staff will reprocur the Uniform Rental Services program, modifying the solicitation in an effort to increase competition and attract more companies to do business with Metro.

## **B. Cost/Price Analysis**

The extension pricing has been determined to be fair and reasonable. The rates offered for the extension are the existing fixed unit rates in the contract that were determined fair and reasonable as a result of the competitive procurement completed in 2008 with total of four firms submitting responsive bids and Prudential Overall Supply bid the lowest rates.

	<b>PROPOSAL AMOUNT</b>	<b>METRO ICE</b>	<b>METRO NEGOTIATED AMT</b>
1	\$780,000	\$780,000	\$780,000

**C. Small Business Participation**

The Diversity and Economic Opportunity Department (DEOD) did not establish a Disadvantaged Business Enterprise Anticipated Level of Participation (DALP) for this contract. Laundry and dry cleaning services were listed as part of the scope of work; however, there are no DBE certified firms under the NAICS code 812320 Dry Cleaning and Laundry Services. The contract was awarded under Metro's race neutral DBE Program; Prudential Overall Supply did not make a DBE commitment. In August 2015, DEOD verified that there are currently no DBE firms identified under NAICS code 812320.

**D. Living Wage and Service Contract Worker Retention Policy Applicability**

The Living Wage and Service Contract Worker Retention Policy is not applicable to this modification.

**E. Prevailing Wage Applicability**

Prevailing wage is not applicable to this modification.

**CONTRACT MODIFICATION/CHANGE ORDER LOG**

**UNIFORM RENTAL SERVICES/OP30002227**

<b>Mod. No.</b>	<b>Original Contract</b>	<b>11/19/08</b>	<b>\$2,538,329</b>
1	Revised SOW – Added uniform items	12/17/08	\$0
2	Administrative Change	12/18/08	\$0
3	Revised SOW – Added uniform items	4/14/11	\$144,991
4	Revised SOW – Added uniform items	5/11/11	\$68,498
5	Revised SOW – Added uniform items	2/1/13	\$13,033
6	Pay Delinquent Invoices	8/30/14	\$120,178
7	Period of Performance Extension	11/14/14	\$850,000
8	Period of Performance Extension	<b>PENDING</b>	\$780,000
	<b>Total:</b>		<b>\$4,515,029</b>