Board Report

File #: 2016-0874, **File Type:** Contract **Agenda Number:** 29.

SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE
NOVEMBER 17, 2016

SUBJECT: UNIFORM RENTAL SERVICES

ACTION: APPROVE CONTRACT AWARD

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award a firm fixed unit rate Contract No. OP6201700 for **uniform rental services with Prudential Overall Supply**, for a not-to-exceed amount of $3,372,104 for the three-year base period and $3,372,104 for the one, three year option, for a combined total of $6,744,208 effective December 16, 2016 through December 15, 2022, subject to resolution of protest (s), if any.

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. Currently, uniform rental services are provided to over 2,300 Metro represented labor employees.

The existing uniform rental services Contract No. OP30002227 with Prudential Overall Supply will expire on March 31, 2017. To avoid uniform rental services interruption, a new contract award is required effective December 16, 2016.

DISCUSSION

At the October 20, 2016 Metro System Safety, Security and Operation Committee meeting, the Committee authorized the Chief Executive Officer (CEO) to award the uniform rental services contract to UniFirst Corporation under Contract No. OP6201700.

The following week and prior to the October 27, 2016 Metro Board meeting, UniFirst Corporation notified Metro of an error with their submitted proposal, impacting their total proposal amount of $5,057,674.82. UniFirst Corporation submitted their revised and final proposal for a combined total of $9,160,597.44.

Based on staff review and evaluation of the proposals received, staff recommends to award the uniform rental services Contract No. OP6201700 to Prudential Overall Supply.

Under the existing 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.

Timely uniform rental, delivery, and laundry services are necessary to ensure compliance with the existing agreements between Metro and the collective bargaining units, meeting garment safety requirements for Metro represented labor employees working within safety sensitive positions, and clearly identify Metro represented labor employees with their different trades.

Although the existing contract is due to expire March 31, 2017, 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, fitting and ordering new sets of uniforms for over 2,300 Metro represented labor employees, a new contract award is required effective December 16, 2016.

Metro's independent cost estimate was based on historical data, current contract pricing and simple market escalation. The independent cost estimate did not include any potential escalation associated with living wage requirements and participation goals due to lack of historical data and the unknown participation commitment level of any proposer.

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 $1,036,100 for this contract is included in the FY17 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 the Sr. Executive Officer, Maintenance and Engineering will be accountable for budgeting the cost in future fiscal years, including any option(s) 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 Federal, State and local funding sources including sales tax and fares that are eligible for Bus and Rail Operating Projects. These funding sources will maximize the use of funds for these activities.

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 No. OP6201700 to Prudential Overall Supply effective December 16, 2016, to provide uniform rental services to Metro represented labor employees, as well as provide vehicle seat covers and laundry services for hand towels and floor mats.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - DEOD Summary

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

Reviewed by: James T. Gallagher, Chief Operations Officer, (213) 922-4424
Debra Avila, Chief Vendor/Contract Management Officer, (213) 418-3051

Phillip A. Washington
Chief Executive Officer

ATTACHMENT A

PROCUREMENT SUMMARY

UNIFORM RENTAL SERVICES PROGRAM / OP6201700

1.	**Contract Number: OP6201700**	
2.	**Recommended Vendor** : Prudential Overall Supply	
3.	**Type of Procurement (check one):** ☐ **IFB** ☒ **RFP** ☐ **RFP–A&E** ☐ **Non-Competitive** ☐ **Modification** ☐ **Task Order**	
4.	**Procurement Dates**:	
	A. Issued: July 21, 2016	
	B. Advertised/Publicized: July 21, 2016	
	C. Pre-proposal/Pre-Bid Conference: August 11, 2016	
	D. Proposals/Bids Due: August 31, 2016	
	E. Pre-Qualification Completed: pending	
	F. Conflict of Interest Form Submitted to Ethics: September 20, 2016	
	G. Protest Period End Date: October 25 2016	
5.	**Solicitations Picked up/Downloaded**: 9	**Bids/Proposals Received**: 2
6.	**Contract Administrator**: Rommel Hilario	**Telephone Number**: (213) 922-4654
7.	**Project Manager**: Alberto Garcia	**Telephone Number**: (213) 922-6760

A. Procurement Background

At the October 20, 2016 Metro System Safety, Security and Operation Committee meeting, the Committee authorized the Chief Executive Officer (CEO) to award the uniform rental services contract to UniFirst Corporation under Contract No. OP6201700.

On October 25, 2016 (prior to the October 27 Board meeting), UniFirst Corporation notified Metro of a significant error with their submitted price proposal, impacting their total proposal amount of $5,057,674.82. UniFirst Corporation submitted their revised and final proposal for a combined total of $9,160,597.44.

This Board Action is to approve a contract award in support of Facilities Maintenance to provide uniform rental services to over 2,300 Metro represented labor employees, as well as providing vehicle seat covers and laundry services for hand towels and floor mats, as outlined in Request for Proposal (RFP) No. OP31277. The existing uniform rental services Contract No. OP30002227 with Prudential Overall Supply will expire on March 31, 2017.

The Diversity and Economic Opportunity Department (DEOD) recommended an 8% Small Business participation goal, inclusive of a Small Business Enterprise (SBE) and a Disadvantaged Veteran Business Enterprise (DVBE), for this procurement. Achieving the 8% goal was mandatory and is a condition of contract award.

Proposers were required to make a commitment to utilize SBEs and DVBEs, in any combination, totaling at least 8% of the total contract price.

To educate and assist potential proposers in the uniform industry on how to comply with Metro's SBE and DVBE participation goals and solicitation requirements, two workshops were conducted prior to the release of the RFP.

On June 15, 2016, Metro hosted the first workshop for those firms that were interested in submitting a proposal for the Uniform Rental Services program as the prime contractor. Staff provided a general overview of the Statement of Work and discussed potential Small Business subcontracting opportunities. A total of five firms participated.

On June 24, 2016 DEOD sponsored a second workshop for potential SBE and DVBE subcontractors whose trades correlated with the project's NAICS codes. Metro's Small Business program was discussed along with DVBE/SBE specific information within the Statement of Work. A total of nine firms attended the workshop.

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

Two amendments were issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on August 12, 2016, provided pre-proposal documents, new pricing sheets, and extended the proposal due date from August 24, 2016 to August 31, 2016;

- Amendment No. 2, issued on August 17, 2016, clarified Section N of the Statement of Work.

A pre-proposal conference was held on August 11, 2016. A total of two proposals were received on August 31, 2016.

The two proposers are listed below in alphabetical order:

1. Prudential Overall Supply (the incumbent);
2. UniFirst Corporation

B. Evaluation of Proposals

Proposals were evaluated according to the criteria established in the RFP and in compliance with Metro's Acquisition Policy.

The proposals were evaluated based on the following evaluation criteria and weights:

- Workplan 40%
- Degree of Skills – Firm and Personnel Experience 20%
- Cost/price 40%

The evaluation criteria are appropriate and consistent with criteria developed for similar uniform rental services procurements. Several factors were considered when developing these weights, giving equal importance to the prime's work plan and their cost/price proposals.

The Proposal Evaluation Team (PET), consisting of staff from OMB, Facilities Maintenance, and Maintenance Division 7, met to conduct comprehensive reviews of the technical qualifications. The PET reviewed proposals based on the technical criteria consistent with the qualifications, experience, and resources necessary to meet the requirements of the RFP. Each proposal addressed the firm's degree of skills (firm and personnel experience), understanding of the statement of work, and cost/price to perform the work. The proposals highlighted the firms' capabilities and the roles of their SBE and DVBE subcontractors for the project.

As previously stated, on October 25, 2016, Metro was notified by UniFirst Corporation of calculation errors in their Schedule of Quantities and Prices that resulted in a significant increase in their pricing. The revised pricing was accepted which resulted in the following corrected scores.

1	FIRM	Average Score	Factor Weight	Weighted Average Score	Rank
2	**Prudential Overall Supply**				
3	Workplan	78.83	40.00%	31.53	
4	Degree of Skills – Firm and Personnel Experience	73.35	20.00%	14.67	
5	Cost/Price	100	40.00%	40.00	
6	**Total**		**100.00%**	**86.20**	**1**
7	**UniFirst Corporation**				
8	Workplan	78.83	40.00%	31.53	
9	Degree of Skills – Firm and Personnel Experience	75.50	20.00%	15.10	
10	Cost/Price	73.63	40.00%	29.45	
11	**Total**		**100.00%**	**75.88**	**2**

C. Cost/Price Analysis

The recommended pricing for the contract is fair and reasonable based on adequate price competition, Independent Cost Estimate (ICE), and program manager technical evaluation of the proposal.

PROPOSER	PROPOSAL AMOUNT	METRO ICE	AWARD AMOUNT
Prudential Overall Supply	$6,744,208.00	$5,426,226.00	$6,744,208.00
UniFirst Corporation	*$9,160,597.44		

* Revised cost proposal submitted to Metro on October 25, 2016.

D. Background on Recommended Contractor

Prudential Overall Supply

Prudential Overall Supply (POS) 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. POS 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. POS customers' includes more than 300 companies that have been utilizing the company's services for more than 35 years. POS is currently the incumbent for Metro's uniform contract.

ATTACHMENT B

DEOD SUMMARY

UNIFORM RENTAL SERVICES PROGRAM / OP6201700

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) established an 8% goal for this solicitation, inclusive of a Small Business Enterprise (SBE) and Disabled Veteran Business Enterprise (DVBE) goal in any combination. Prudential Overall Supply (POS) exceeded the goal by making a 9.00% commitment, inclusive of 2.70% SBE and 6.30% DVBE.

Small Business Goal	8% SBE/DVBE	Small Business Commitment	2.70% SBE 6.30% DVBE

	SBE/DVBE Subcontractors	% Committed
1.	Becnel Uniforms (SBE)	2.70%
2.	Image Gear dba Reflective Stripe (DVBE)	6.30%
	Total SBE/DVBE Commitment	**9.00%**

B. Living Wage and Service Contract Worker Retention Policy Applicability

The Living Wage and Service Contract Worker Retention Policy (LW/SCWRP) is applicable to this contract. Metro staff will monitor and enforce the policy guidelines to ensure that applicable workers are paid at minimum, the current Living Wage rate of $16.18 per hour ($11.27 base + $4.91 health benefits), including yearly increases of up to 3% of the total wage. In addition, contractors will be responsible for submitting the required reports for the Living Wage and Service Contract Worker Retention Policy 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.