



Board Report

File #: 2016-0975, File Type: Contract

Agenda Number: 40

**SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE
JANUARY 19, 2017**

SUBJECT: UNIFORM RENTAL SERVICES

ACTION: APPROVE CONTRACT AWARD

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

- A. AWARD a firm fixed unit rate Contract No. OP671430003367 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 February 1, 2017 through January 31, 2023; and
- B. EXECUTE Modification No. 11 for the existing uniform rental services Contract No. OP30002227 with Prudential Overall Supply to extend the period of performance by four (4) months, through July 31, 2017 and request additional authority in the amount of \$260,000, increasing the contract value from \$5,165,029 to \$5,425,029

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. Fitting employees, ordering uniform inventory and delivering new uniforms to 24 locations require five months to coordinate and implement a smooth transition between the existing and the new contract.

To avoid uniform rental services interruption, a contract modification is required to extend the existing contract period of performance and request additional authority to allow time for contract closeout. With a new contract award effective February 1, 2017, the period of performance for the existing contract must be extended through July 31, 2017 and additional expenditure authority approved in the amount of \$260,000.

DISCUSSION

In response to the concerns brought forward by the ATU President during the December 1, 2016 Metro Board of Directors meeting, staff was directed to meet with the ATU President and address uniform rental service related concerns.

On December 5, 2016, staff met with the ATU President, and fully briefed him on the new performance requirements made under the new contract. The contract improvements such as liquidated damages were added due to the feedback we originally received from the ATU leadership. Staff also emphasized the importance of submitting all uniform issues to the FM Help Desk for effective tracking and timely resolution.

Staff will continue to work closely with the ATU Executive Board members and employees to provide better customer service. Staff has committed to post signage throughout Metro facilities to improve employee awareness of the scheduled uniform pick-up dates, highlight improved uniform request procedures and forms, monitor the contractor's performance and service delivery, consider expanding loaner uniform inventory throughout Metro facilities, and maintain effective communications among all parties involved to ensure quality and timely service delivery.

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.

The existing contract is due to expire March 31, 2017. A contract modification is required to extend the period of performance through July 31, 2017 and additional expenditure authority is required. A new contract award is required effective February 1, 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, and fitting and ordering new sets of uniforms for over 2,300 Metro represented labor employees.

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 source of funds for this procurement will come from the enterprise operating fund. Specific funding sources are Federal, State, and Local funding 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. OP671430003367 to Prudential Overall Supply effective February 1, 2017, 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. Staff will also execute Modification No. 11 for the existing uniform rental services Contract No. OP30002227 with Prudential Overall Supply to allow time for contract closeout and a smooth transition to the new contract.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment A1 - Contract Modification/Change Order Log
Attachment B - DEOD Summary.

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Phillip A. Washington
Chief Executive Officer

CONTRACT MODIFICATION/CHANGE ORDER LOG

UNIFORM RENTAL SERVICES/ OP30002227

Mod. No.	Description	Status (approved or pending)	Date	Amount
1	Revised SOW – Added uniform items	Approved	12/17/08	\$0
2	Administrative Change	Approved	12/18/08	\$0
3	Revised SOW – Added uniform items	Approved	4/14/11	\$144,991
4	Revised SOW – Added uniform items	Approved	5/11/11	\$68,497.52
5	Revised SOW – Added uniform items	Approved	2/1/13	\$13,033.76
6	Pay Delinquent Invoices	Approved	8/30/14	\$120,178
7	Period of Performance Extension	Approved	11/14/14	\$850,000
8	Period of Performance Extension	Approved	8/5/15	\$780,000
9	Period of Performance Extension	Approved	6/23/16	\$650,000
10	Revised SOW	Approved	12/6/16	\$0
11	Period of Performance Extension	PENDING		\$260,000
	MODIFICATION TOTAL			\$2,886,700
	ORIGINAL CONTRACT			\$2,538,329
	Total:			\$5,425,029

PROCUREMENT SUMMARY

UNIFORM RENTAL SERVICES / OP671430003367

1.	Contract Number: OP671430003367	
2.	Recommended Vendor : Prudential Overall Supply	
3.	Type of Procurement (check one): <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> 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: December 5, 2016	
	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. New 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. OP671430003367.

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%	76.08	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. The ICE 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.

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.

E. Contract Modification Background

The recommended price for Modification No. 11 for the existing uniform rental services Contract No. OP30002227 has been determined to be fair and reasonable.

The rates offered for the four month extension are the existing rates in the current contract that have been in effect as a result of a competitive procurement completed in 2008. Please see Attachment A-1 Contract Modification/Change Log.

EXTENSION AMOUNT	METRO ICE	METRO NEGOTIATED AMT
\$260,000	\$260,000	\$260,000

DEOD SUMMARY

UNIFORM RENTAL SERVICES PROGRAM / OP671430003367

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
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	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.