



## Board Report

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**File #:** 2018-0523, **File Type:** Contract

**Agenda Number:** 31.

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**OPERATIONS, SAFETY AND CUSTOMER EXPERIENCE COMMITTEE  
SEPTEMBER 20, 2018**

**SUBJECT: COPY CENTER EQUIPMENT AND SERVICES**

**ACTION: AWARD CONTRACT**

**RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to award a five-year Contract No. PS110638000 to Canon Solutions America Inc. for Copy Center and Design Studio equipment and services in an amount not-to-exceed \$1,590,568, inclusive of sales taxes; subject to the resolution of protest(s), if any.

**BACKGROUND**

Metro's current contracts for the lease of high-speed copiers, document finishing equipment, maintenance, and other services will expire on December 31, 2018.

**DISCUSSION**

Metro requires high-speed copy machines, laminating equipment, binding and other finishing equipment to produce a wide range of documents that are required for agency business, including:

- Bus and rail "shake-up" materials
- Board and committee agenda packets
- Budget books
- Bound departmental reports
- Departmental forms
- Large format blueprints and posters
- Procurement IFB and RFP Packages
- Training manuals
- EIR/EIS and other planning documents

Documents are sent to the Copy Center whenever they can be produced more cost effectively and at a higher quality than is possible on convenience copiers. This contract will replace the current contract with Canon.

## **DETERMINATION OF SAFETY IMPACT**

Approval of this Board item will have a neutral impact on safety.

## **FINANCIAL IMPACT**

Funding of \$320,000 for this service is included in the FY19 Budget in cost center 6420 Copy Services within project 100001 General Overhead. Since this is a multi-year contract, the cost center manager and Chief Human Capital & Development Officer will be accountable for budgeting the cost in future years.

### **Impact to Budget**

The source of funds for Project 100001 is General Overhead funds, comprised of Federal, state and local funds. These funds are eligible for bus and rail operating costs.

## **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

Recommendation supports strategic plan Goal #5 (Provide responsive, accountable, and trustworthy governance). By continuing to be responsive, accountable and trustworthy, Metro will build credibility with decision-makers, customers, and employees and be able to perform more effectively to the changing needs of its business practices.

## **ALTERNATIVES CONSIDERED**

One alternative would be to purchase the existing equipment at the current market value and purchase maintenance services and spare parts required to keep the machines operational. This alternative is not recommended because the current equipment has become less reliable as it has aged. This could delay document production, including documents required for high priority projects.

Another alternative would be to send all high volume jobs to an outside vendor. Sending all photocopying to an outside vendor would extend response time for production of critical documents. This alternative would also require modification of Metro's collective bargaining agreement with TCU that represents Copy Center employees who perform this work.

## **NEXT STEPS**

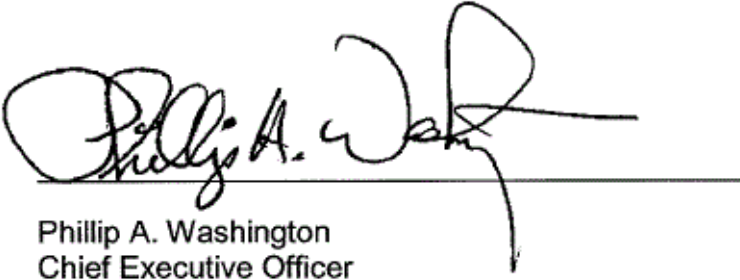
Upon Board approval, staff will execute Contract No. PS110638000 with Canon for copy center equipment and services.

## **ATTACHMENTS**

Attachment A - Procurement Summary  
Attachment B - DEOD Summary

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Phillip A. Washington  
Chief Executive Officer

**PROCUREMENT SUMMARY  
COPY CENTER EQUIPMENT AND SERVICES / PS110638000**

1.	<b>Contract Number:</b> PS110638000	
2.	<b>Recommended Vendor :</b> Canon Solutions America, Inc.	
3.	<b>Type of Procurement (check one):</b> <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.	<b>Procurement Dates:</b>	
	<b>A. Issued:</b> March 26, 2018	
	<b>B. Advertised/Publicized:</b> March 26, 2018	
	<b>C. Pre-proposal/Pre-Bid Conference:</b> April 3, 2018	
	<b>D. Proposals/Bids Due:</b> May 10, 2018	
	<b>E. Pre-Qualification Completed:</b> July 3, 2018	
	<b>F. Conflict of Interest Form Submitted to Ethics:</b> July 10, 2018	
	<b>G. Protest Period End Date:</b> September 24, 2018	
5.	<b>Solicitations Picked up/Downloaded:</b> 14	<b>Bids/Proposals Received:</b> 3
6.	<b>Contract Administrator:</b> Rommel Hilario	<b>Telephone Number:</b> (213) 922-4654
7.	<b>Project Manager:</b> Raul Gomez	<b>Telephone Number:</b> (213) 922-4356

**A. Procurement Background**

This Board Action is to approve a contract award to lease equipment for the Metro Copy Center. The Contractor will be responsible for furnishing technical support, repair services by factory trained personnel, maintenance, initial and on-going training, applicable software and software licenses, hardware and hardware retrofits, equipment relocation/moving services, and all supplies throughout the term of the Contract. Board approval of contract awards are subject to resolution of any properly submitted protest.

The Diversity and Economic Opportunity Department (DEOD) recommended a 5% Disadvantage Business Enterprise (DBE) goal for this procurement.

In January 2018, Request for Proposal (RFP) No. PS43240, which did not include a small business goal, was scheduled to be presented to the Board for award. However, staff withdrew the item from the Board agenda to allow small business participation in a reprocurement. On January 30, 2018, the solicitation was cancelled.

On March 26, 2018, RFP No. PS43240-2 was issued as a competitively negotiated procurement in accordance with Metro's Acquisition Policy.

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

- Amendment No. 1, issued on April 2, 2018, added equipment minimum requirements.

- Amendment No. 2, issued on April 4, 2018, included pre-proposal documents including the agenda, sign-in sheets, and planholder’s list.
- Amendment No. 3 , issued on April 11, 2018, included revised language for references, provided Metro Copy Center drawings, and extended the proposal due date.

A pre-proposal conference was held on April 3, 2018. A total of nine participants representing five firms were in attendance.

On May 10, 2018, Metro received three proposals from three firms as listed below, in alphabetical order:

1. American Business Machines
2. Canon Business Solutions, Inc.
3. Xerox Corporation

**B. Evaluation of Proposals**

The Proposal Evaluation Team (PET), consisting of staff from the Communications and General Services departments was convened and conducted a comprehensive technical evaluation of the proposal received.

Proposals were evaluated based on the following criteria and weights:

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|---|-----|
| • Degree of the Contractor’s (Firm and Staff) Skills and Experience | 30% |
| • Understanding of the Work and Effectiveness of Management Plan    | 30% |
| • Cost Proposal   | 25% |
| • Site Visit  | 15% |

Site visits were conducted by the PET at proposing firms’ local customers in order to observe and interview staff about the equipment proposed by the firms. Site visits were conducted between May 31, 2018 and June 15, 2018.

Following is a summary of the PET scores:

1	FIRM	Average Score	Factor Weight	Weighted Average Score	Rank
2	<b>Canon Solutions America, Inc.</b>				
3	Degree of the Contractor's (Firm and Staff) Skills & Experience	91.0	30%	27.30	
4	Understanding of the Work and Effectiveness of Management Plan	92.0	30%	27.60	
5	Cost Proposal	100.0	25%	25.00	
6	Site Visit	91.0	15%	13.65	
7	<b>Total</b>		<b>100.00%</b>	<b>93.55</b>	<b>1</b>
8	<b>Xerox Corporation</b>				
9	Degree of the Contractor's (Firm and Staff) Skills & Experience	89.3	30%	26.79	
10	Understanding of the Work and Effectiveness of Management Plan	85.0	30%	25.50	
11	Cost Proposal	88.0	25%	22.00	
12	Site Visit	86.0	15%	12.90	
13	<b>Total</b>		<b>100.00%</b>	<b>87.19</b>	<b>2</b>
14	<b>American Business Machines</b>				
15	Degree of the Contractor's (Firm and Staff) Skills & Experience	79.3	30%	23.79	
16	Understanding of the Work and Effectiveness of Management Plan	64	30%	19.20	
17	Cost Proposal	76	25%	19.00	
18	Site Visit	89.3	15%	13.40	
19	<b>Total</b>		<b>100.00%</b>	<b>75.39</b>	<b>3</b>

**C. Cost/Price Analysis**

The recommended price has been determined to be fair and reasonable based upon adequate competition, price analysis, fact finding, and technical evaluation which included a review of equipment specifications as stated in the Statement of Work.

<b>PROPOSER</b>	<b>PROPOSED AMOUNT</b>	<b>METRO ICE</b>	<b>AWARD AMOUNT</b>
Canon Solutions America, Inc.	\$1,590,568	\$1,936,500	\$1,590,568
Xerox Corporation	\$1,783,065		
American Business Machines	\$2,123,629		

**D. Background on Recommended Contractor**

Since 1971, Canon Solutions America, Inc. (Canon) has been providing integrated systems technology that comprises one of the strongest solutions portfolios in the industry. Canon is a wholly-owned sales subsidiary of Canon U.S.A. Inc. operating within the United States and part of the region called Canon Americas. Canon has been the equipment vendor for the Metro Copy Center for the past five years. Over that period of time, they have been working closely with staff in support of Metro Copy Center and Canon has performed satisfactorily.

DEOD SUMMARY

COPY CENTER EQUIPMENT AND SERVICES / PS110638000

**A. Small Business Participation**

The Diversity and Economic Opportunity Department (DEOD) established a 5% Disadvantaged Business Enterprise (DBE) goal for this procurement. Canon Solutions America, Inc. exceeded the goal by making a 5.50% DBE commitment.

<b>Small Business Goal</b>	<b>5.00% DBE</b>	<b>Small Business Commitment</b>	<b>5.50% DBE</b>
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	<b>DBE Subcontractors</b>	<b>Ethnicity</b>	<b>% Committed</b>
1.	Say Cargo Express, Inc.	Hispanic American Female	1.16%
2.	Universal Reprographics, Inc.	Caucasian Female	4.34%
	<b>Total</b>		<b>5.50%</b>

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

The Living Wage and Service Contract Worker Retention Policy (LW/SCWRP) is not applicable to this Contract.

**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.