

**Board Report**

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**File #:** 2022-0719, **File Type:** Contract**Agenda Number:** 34.

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**OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE  
NOVEMBER 17, 2022****SUBJECT: MANAGED PRINT AND DIGITAL COPY SERVICES****ACTION: APPROVE CONTRACT AWARD****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to award a five-year, firm-fixed unit rate Contract No. PS83011000 to Canon Solutions America, Inc. to provide managed print and digital copy services Metro-wide for an amount not-to-exceed \$3,620,673, effective March 1, 2023, subject to resolution of protest(s), if any.

**ISSUE**

The existing contract with Xerox Corporation will expire on February 28, 2023.

Approval of the contract award will allow sufficient time for the transition/mobilization period required for the acquisition and installation of 240 multi-function devices (MFD) at various Metro locations and the removal of old equipment.

**BACKGROUND**

The current contract with Xerox Corporation has been in place for seven (7) years, and the equipment is now outdated. The award of a new contract will allow Metro to implement new technology and software with Managed Print Services (MPS). The MPS monitors the usage of the copiers and addresses malfunctions and repairs that are required. In addition, it will also place orders for replacement parts and supplies. This will allow for efficient management of printing and imaging services. It also supports a hybrid and remote work environment since print management is centralized.

**DISCUSSION**

Metro currently leases 228 MFDs to enable staff at all Metro locations to copy, print, fax, and scan documents. Under the new contract, Metro intends to lease 240 units to facilitate the agency's growth and provide equipment to new locations. New locations include:

- Compton, Chatsworth, Azusa, and Willowbrook locations

- Division 11 Trailers A & B
- Division 15 Maintenance Shop

In addition to the new MFDs, Metro will now have access to a Managed Print Services solution. The MPS solution will help support Metro's new hybrid culture of teleworking. This solution will improve accessibility to our equipment for staff teleworking which will support employees in completing work assignments. Additionally, Metro will only pay per click prints, which is a cost-effective solution.

### **DETERMINATION OF SAFETY IMPACT**

Approval of this item will not impact the safety of Metro's employees and patrons.

### **FINANCIAL IMPACT**

The funding of \$1,004,000 is allocated in the FY23 Budget within cost center 6420, Copy Services, Account 51205, Rental & Lease of Office Equipment, under Project 100001. Since this is a multi-year contract, the cost center manager and the Chief People Officer will be responsible for budgeting the cost in future years.

#### **Impact to Budget**

The source of funds for this contract is Project 100001 General Overhead, and is comprised of Federal, State, and local funds. These funds are eligible for these services.

### **EQUITY PLATFORM**

There are no adverse equity impacts anticipated from this contract. The updated printing services are expected to better support Metro's hybrid workforce.

The Diversity and Economic Opportunity Department (DEOD) established an 8% Disadvantaged Business Enterprise (DBE) goal for this solicitation. Canon Solutions America, Inc. made an 8% DBE commitment for this contract.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The Board action supports Strategic Goal 5: Provide responsive, accountable, and trustworthy governance within the Metro organization. These services will ensure that Metro maintains and nurtures a diverse, inspired, and high-performance workforce.

### **ALTERNATIVES CONSIDERED**

The Board may decline to approve this contract. This is not recommended as the alternatives below this recommendation are not feasible:

1. Send all photocopying and printing requirements to the Copy Center and/or an outside vendor. This is not recommended because it would impede workflow. Although staff already sends

large copy projects to the Copy Center, efficient and effective office productivity requires the ability to scan, copy, and print documents in smaller quantities immediately within the employees' work area.

2. Purchasing new machines. This alternative is also not recommended due to the large initial capital cost involved in acquiring multi-function devices, continued maintenance agreements, and the obsolescence that occurs with electronic devices.
3. Continue the current lease for multi-function devices. This alternative is not recommended because the equipment has been used for almost 7 years, and the technology is obsolete. Additionally, newer technology and increased capabilities of new devices will allow staff to improve the document management process.

### **NEXT STEPS**

Upon approval by the Board, staff will execute Contract No. PS83011000 with Canon Solutions America, Inc. to manage print and digital copy services Metro-wide effective March 1, 2023.

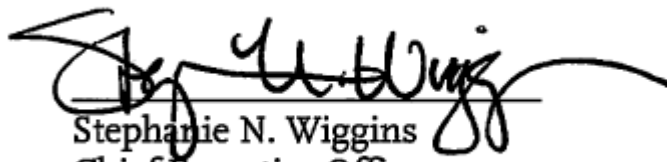
### **ATTACHMENTS**

Attachment A - Procurement Summary

Attachment B - DEOD Summary

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Stephanie N. Wiggins  
Chief Executive Officer

## PROCUREMENT SUMMARY

### MANAGED PRINT AND DIGITAL COPY SERVICES/PS83011000

1.	<b>Contract Number:</b> PS83011000	
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> June 14, 2022	
	<b>B. Advertised/Publicized:</b> June 14, 2022	
	<b>C. Pre-Proposal Conference:</b> June 23, 2022	
	<b>D. Proposals Due:</b> August 19, 2022	
	<b>E. Pre-Qualification Completed:</b> October 25, 2022	
	<b>F. Conflict of Interest Form Submitted to Ethics:</b> August 23, 2022	
	<b>G. Protest Period End Date:</b> November 11, 2022	
5.	<b>Solicitations Picked up/Downloaded:</b> 26	<b>Bids/Proposals Received:</b> 3
6.	<b>Contract Administrator:</b> Antonio Monreal	<b>Telephone Number:</b> (213) 922-4679
7.	<b>Project Manager:</b> Raul Gomez	<b>Telephone Number:</b> (213) 922-7494

#### **A. Procurement Background**

This Board Action is to approve the award of Contract No. PS83011000 to Canon Solutions America, Inc. to provide managed print and digital copy services Metro-wide for a period of five (5) years. Board approval of contract award is subject to the resolution of any properly submitted protest.

On June 14, 2022, Request for Proposals (RFP) No. PS83011 was issued as a competitive procurement in accordance with Metro's Acquisition Policy and the contract type is a firm-fixed unit rate.

The RFP was issued with a Disadvantaged Business Enterprise (DBE) goal of 8%.

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

- Amendment No. 1, issued on July 15, 2022, extended the proposal due date.
- Amendment No. 2, issued on August 3, 2022, extended the proposal due date, revised the scope of services to clarify scanning solution requirements, and updated the schedule of quantities and prices to include an option to upgrade licenses for Metro's document management solution.
- Amendment No. 3, issued on August 5, 2022, revised the invoicing and billing requirements in the scope of services and updated the schedule of prices and quantities accordingly.
- Amendment No. 4, issued on August 12, 2022, modified the scope of services to refine software requirements for the multifunction devices, adjusted the schedule

of quantities and prices to align with changes to the scope of services, and clarified the evaluation criteria and submittal requirements.

A virtual pre-proposal conference was held on June 23, 2022. Seventy-five questions were received, and Metro provided responses prior to the proposal due date.

A total of 26 firms downloaded the RFP and were included on the planholders' list.

Three proposals were received by the due date of August 19, 2022, and are listed below in alphabetical order:

1. Canon Solutions America, Inc. (Canon)
2. Ricoh USA, Inc. (Ricoh)
3. Xerox Corporation (Xerox)

## **B. Evaluation of Proposals**

A Proposal Evaluation Team (PET) consisting of staff from General Services, Transportation Planning, and Information Technology Services was convened and conducted a comprehensive technical evaluation of the proposals received.

On August 22, 2022, the PET met to review the evaluation criteria package, process confidentiality and conflict of interest forms, and take receipt of the proposals to initiate the evaluation phase. Evaluations were conducted from August 22, 2022, through October 13, 2022.

On October 13, 2022, Metro's Diversity and Economic Opportunity Department (DEOD) determined Ricoh USA (Ricoh) to be non-responsive for failure to meet the DBE 8% goal. Hence, Ricoh was excluded from consideration.

The PET evaluated proposals based on the following evaluation criteria stated in the RFP:

Phase I Evaluation – Minimum Qualification Review: This is a pass/fail criteria. The criteria focused on the proposer's years of experience in providing managed print services and related support services, capability to service the leased equipment throughout the term of the contract, and availability of a web-based online reporting and tracking system.

Phase II Evaluation – Technical Evaluation Review.

Proposals that passed the Phase I evaluation were further evaluated based on the following criteria:

Qualifications of the Prime Contractor and the Team Skills and Experience	15 percent
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Technical and Functional Capability of Proposed Equipment, Software, and Overall Infrastructure	15 percent
Understanding of the Scope of Services and Management Plan/Approach	40 percent
Cost Proposal	30 percent

The evaluation criteria are appropriate and consistent with criteria developed for similar projects. Several factors were considered in developing these weights, giving the greatest importance to the understanding of the scope of services and management plan/approach.

Demonstrations were held starting September 14, 2022, through September 29, 2022. Initial demonstrations were conducted at the proposers' client site to test the performance and functionality of the proposed equipment. A second demonstration was held at Metro's headquarters to test network connectivity, security and integration. Oral presentations were held immediately following the second demonstration. The Proposers' project managers and key team members had an opportunity to present their team's qualifications, discuss their technical approach, and respond to questions from the PET.

**Qualifications Summary of Firms within Competitive Range:**

**Canon Solutions America, Inc.**

Canon Solutions America, Inc., (Canon), a wholly owned subsidiary of Canon U.S.A., Inc., is a provider of consumer, business-to-business, and industrial digital imaging solutions in the United States, Latin America, and the Caribbean. It has been in business since 1974 and has four local sales/service offices located in Glendale, Long Beach, Ontario, and Irvine. Southern California clients include Redondo Beach Unified School District, the Counties of San Francisco and Ventura, and the City of San Francisco.

**Xerox Corporation**

Xerox Corporation (Xerox), headquartered in Norwalk, CT, was founded in 1906 as The Haloid Photographic Company, a manufacturer and distributor of photographic paper and equipment. The company changed its name to Xerox Corporation in 1961. It provides workplace solutions, document management, and digital printing technologies. Southern California clients include the Superior Court of California and Counties of Los Angeles and San Diego.

The 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	Qualifications of the Prime Contractor and the Team Skills and Experience	90.27	15%	13.54	
4	Technical and Functional Capability of Proposed Equipment, Software, and Overall Infrastructure	99.20	15%	14.88	
5	Understanding of the Scope of Services and Management Plan/Approach	93.02	40%	37.21	
6	Cost Proposal	100.00	30%	30.00	
7	<b>Total</b>		<b>100%</b>	<b>95.63</b>	<b>1</b>
8	<b>Xerox Corporation</b>				
9	Qualifications of the Prime Contractor and the Team Skills and Experience	89.47	15%	13.42	
10	Technical and Functional Capability of Proposed Equipment, Software, and Overall Infrastructure	99.20	15%	14.88	
11	Understanding of the Scope of Services and Management Plan/Approach	88.28	40%	35.31	
12	Cost Proposal	97.63	30%	29.29	
13	<b>Total</b>		<b>100%</b>	<b>92.90</b>	<b>2</b>

### C. Cost/Price Analysis

The recommended price has been determined to be fair and reasonable based on price analysis, technical analysis, and fact-finding. The recommended price is 41.74% lower than Metro's independent cost estimate (ICE). Proposers were able to offer very competitive prices due to significant improvements in technology which reduced production costs, economies of scale and competition.

Proposer Name	Proposal Amount	Metro ICE	Award Amount
Canon Solutions America, Inc.	\$3,620,673	\$6,214,920	\$3,620,673
Xerox Corporation	\$3,708,706		

### D. Background on Recommended Contractor

Canon Solutions America, Inc., (Canon), headquartered in Melville, New York, provides digital print technologies, large-format printing solutions and document management services. It has four local sales/service offices located in Glendale, Long Beach, Ontario and Irvine and a US based Help Desk Call Center that covers a

wide spectrum of hardware, software, network connectivity, application, and workflow issues.

Canon's proposed Project Manager has 30 years of experience in the industry and focuses on government and education accounts in Southern California. The Canon team includes two DBE subcontractors: Say Cargo Express and Triumph Technology Group. Collectively, the subcontractors will provide ground transportation, transport hardware, and training and support. Canon currently provides lease and maintenance of high-speed copiers and equipment for the Metro Copy Center, and performance has been satisfactory.



## DEOD SUMMARY

## MANAGED PRINT AND DIGITAL COPY SERVICES/PS83011000

**A. Small Business Participation**

The Diversity and Economic Opportunity Department (DEOD) established an 8% Disadvantaged Business Enterprise (DBE) goal for this solicitation. Canon Solutions America met the goal by making an 8% DBE commitment.

<b>Small Business Goal</b>	<b>8% DBE</b>	<b>Small Business Commitment</b>	<b>8% DBE</b>
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	<b>DBE Subcontractors</b>	<b>Ethnicity</b>	<b>% Committed</b>
1.	Say Cargo Express, Inc.	Hispanic American	3.12%
2.	IMAP Inc. dba Triumph Technology Group	Hispanic American	4.88%
<b>Total Commitment</b>			<b>8.00%</b>

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

The Living Wage and Service Contract Worker Retention Policy 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. PLA/CCP is applicable only to construction contracts that have a construction related value in excess of \$2.5 million.