



## Board Report

File #: 2024-0014, File Type: Contract

Agenda Number: 13.

### EXECUTIVE MANAGEMENT COMMITTEE FEBRUARY 15, 2024

**SUBJECT: COPY CENTER EQUIPMENT AND SERVICES**

**ACTION: APPROVE CONTRACT AWARD**

#### **RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to execute a five-year, firm-fixed unit rate Contract No. PS110623000 to Canon Solutions America, Inc. to provide copy center equipment and services in a not-to-exceed amount of \$1,917,720, effective March 1, 2024, subject to the resolution of protest(s), if any.

#### **ISSUE**

The existing contract for the lease of high-speed copiers, document finishing equipment, maintenance, and other services will expire on April 30, 2024.

Approval of this Contract will allow for the installation/mobilization period required for the acquisition and installation of the new high-speed copier equipment and the removal of the old equipment.

#### **BACKGROUND**

The current contract with Canon Solutions America, Inc. has been in place since October 1, 2018, and the equipment is now outdated, with the period of performance ending on April 30, 2024.

Due to the heavy use of the equipment, it is reaching the expected life cycle replacement, and the new contract will allow Metro to implement new technology and software Managed Print Services (MPS). The MPS monitors the usage of the copiers and addresses malfunctions and required repairs. In addition, it automates orders for replacement parts and supplies. This will allow for efficient management of printing and imaging services.

#### **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

Metro's Copy Center produces documents when it is more cost effective and at a higher quality than is possible on convenience copiers. This contract will replace the current contract with Canon Solutions America, Inc.

### **DETERMINATION OF SAFETY IMPACT**

Approval of this Board item will not impact the safety standards for Metro customers and employees.

### **FINANCIAL IMPACT**

Funding of \$200,000 for this service is included in the FY24 Budget in cost center 6420 Copy Services within project 100001 General Overhead, account 51205 Rent Office Equipment. Since this is a multi-year contract, the cost center manager and Chief People 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, which may include Operating-eligible funds.

### **EQUITY PLATFORM**

There are no adverse equity impacts anticipated from this contract award. This will allow continued support of Metro's workforce with printing documents for the agency.

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

The 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 will become less reliable as it ages

and the technology will be outdated. 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 the response time for the production of critical documents. This alternative would also require modification of Metro's collective bargaining agreement with Transportation Communications Union (TCU) that represents Copy Center employees who perform this work.

### **NEXT STEPS**

Upon Board approval, staff will execute Contract No. PS110623000 with Canon Solutions America, Inc. to provide copy center equipment and services effective March 1, 2024.

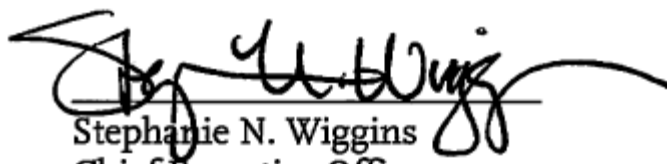
### **ATTACHMENTS**

Attachment A - Procurement Summary

Attachment B - DEOD Summary

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Chief Executive Officer

## PROCUREMENT SUMMARY

## COPY CENTER EQUIPMENT AND SERVICES/PS110623000

1.	<b>Contract Number:</b> PS110623000	
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> August 2, 2023	
	<b>B. Advertised/Publicized:</b> August 2, 2023	
	<b>C. Pre-Proposal Conference:</b> August 8, 2023	
	<b>D. Proposals Due:</b> October 16, 2023	
	<b>E. Pre-Qualification Completed:</b> January 10, 2024	
	<b>F. Conflict of Interest Form Submitted to Ethics:</b> October 25, 2023	
	<b>G. Protest Period End Date:</b> February 20, 2024	
5.	<b>Solicitations Picked up/Downloaded:</b> 11	<b>Bids/Proposals Received:</b> 1
6.	<b>Contract Administrator:</b> Antonio Monreal	<b>Telephone Number:</b> (213) 922-4679
7.	<b>Project Manager:</b> Yolanda Limon	<b>Telephone Number:</b> (213) 922-2113

**A. Procurement Background**

This Board Action is to approve the award of Contract No. PS110623000 to provide high speed/volume copiers and document finishing equipment for Metro's Copy Center for a period of five years. Board approval of contract award is subject to the resolution of any properly submitted protest.

On August 2, 2023, Request for Proposals (RFP) No. PS110623 was issued as a competitive procurement in accordance with Metro's Acquisition Policy and the contract type is a firm-fixed unit rate. The Diversity & Economic Opportunity Department did not recommend a Disadvantaged Business Enterprises (DBE) participation goal for this procurement due to a lack of subcontracting opportunities.

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

- Amendment No. 1, issued on August 3, 2023, added a site visit to Metro's Copy Center located at Metro's headquarters.
- Amendment No. 2, issued on August 17, 2023, extended the deadline to submit questions, the due date to request approved equals, and the proposal due date.
- Amendment No. 3, issued on September 7, 2023, extended the proposal due date.
- Amendment No. 4, issued on September 28, 2023, extended the proposal due date.
- Amendment No. 5, issued on October 9, 2023, revised the equipment introduction date in the evaluation criteria and minimum qualification

requirements, revised the scope of services to simplify some requirements to encourage competition, and extended the proposal due date.

A total of 11 firms downloaded the RFP and were included on the planholders' list. A virtual pre-proposal conference was held on August 8, 2023, with 10 participants in attendance representing 3 firms. There were 40 questions received and Metro provided responses prior to the proposal due date.

One proposal was received from Canon Solutions America, Inc., by the proposal due date of October 16, 2023.

Metro staff conducted a market survey of the firms on the planholders' list to determine why no other proposals were submitted. Responses were received from 5 firms and included taking exception to Metro's termination clause, not being able to meet the solicitation requirements, and the scope of services not being within their area of expertise.

The market survey revealed that the decisions not to propose were based on individual business considerations. Furthermore, the scope of services provided the salient physical, functional and other characteristics of the required high-speed copiers and did not require the use of a specific brand or manufacturer. For off-line document finishing equipment, although a brand or manufacturer was specified, the solicitation allowed proposers to offer "equal" products and included an approval process for proposed alternate finishing equipment. Therefore, the solicitation was determined not restrictive and can be awarded as a competitive award.

## **B. Evaluation of Proposal**

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

The proposal was evaluated based on the following evaluation criteria:

Phase I Evaluation – Minimum Qualification Criteria: This is a pass/fail criteria. To be responsive to the RFP minimum requirements, proposer/s must meet the following:

1. Have four (4) years of experience, within the last six (6) years), in managed print services and related support services equivalent or similar to the services identified in the solicitation.
2. Demonstrated a minimum of two (2) clients within the past three (3) years that it has provided lease and maintenance service agreements for high-speed copiers with specification requirements similar to that required in the scope of services.
3. Be authorized by the original equipment manufacturer (OEM) to service the proposed equipment during the entire term of the contract.

4. All proposed high-speed copiers (excluding offline finishing equipment) must have an introduction date in the United States after January 1, 2015.
5. Have a web-based online reporting and tracking system, Managed Print Services Tool.

The proposer met the RFP minimum requirements and was further evaluated based on the following weighted evaluation criteria:

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

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.

During the period of October 31, 2023, to December 13, 2023, the PET independently evaluated and scored the technical proposal. The evaluation included an equipment demonstration conducted at the proposer’s client site on December 5, 2023, to test the performance and functionality of the proposed equipment. On December 13, 2023, the PET concluded its evaluation and determined Canon Solutions America, Inc. met the requirements of the RFP and is technically qualified to perform the services as outlined in the solicitation.

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	98.87	15%	14.83	
4	Technical and Functional Capability of Proposed Equipment, Software, and Overall Infrastructure	86.67	15%	13.00	
5	Understanding of the Scope of Services and Management Plan/Approach	94.53	40%	37.81	
6	Price Proposal	100.00	30%	30.00	
7	<b>Total</b>		<b>100%</b>	<b>95.64</b>	<b>1</b>

**C. Price Analysis**

The recommended price has been determined to be fair and reasonable based upon the independent cost estimate (ICE), technical analysis, price analysis, and historical data, and fact-finding. The recommended price is 8% lower than the ICE.

<b>Proposer Name</b>	<b>Proposal Amount</b>	<b>Metro ICE</b>	<b>Recommended Amount</b>
Canon Solutions America, Inc.	\$1,917,720	\$2,078,901	\$1,917,720

**D. Background on Recommended Contractor**

Canon Solutions America, Inc., (Canon), headquartered in Melville, New York, is a wholly owned subsidiary of Canon U.S.A., Inc. It has been in business since 1974 and provides digital print technologies, large-format printing solutions and document management services. Canon has four local sales/service offices located in Glendale, Long Beach, Ontario and Irvine. In addition, it has a US based Help Desk Call Center that covers a wide spectrum of hardware, software, network connectivity, application, and workflow issues. Southern California clients include Redondo Beach Unified School District, the Counties of San Francisco and Ventura, and the City of San Francisco.

Canon’s proposed Project Manager has 30 years of experience in the industry and focuses on government and education accounts in Southern California.

Canon currently provides lease and maintenance of high-speed copiers and equipment for the Metro Copy Center, and performance has been satisfactory.

DEOD SUMMARY

**COPY CENTER EQUIPMENT AND SERVICES / CONTRACT NO. PS110623000**

**A. Small Business Participation**

The Diversity and Economic Opportunity Department (DEOD) did not establish a Disadvantaged Business Enterprise (DBE) participation goal for this procurement due to a lack of subcontracting opportunities. Canon Solutions America, Inc. did not make a commitment.

**B. Local Small Business Enterprise (LSBE) Preference**

The LSBE preference is not applicable to federally funded procurements. Federal law (49 CFR § 661.21) prohibits the use of local procurement preferences on FTA-funded projects.

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

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

**D. Prevailing Wage Applicability**

Prevailing wage is not applicable to this contract.

**E. Project Labor Agreement/Construction Careers Policy**

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract. Project Labor Agreement/Construction Careers Policy is applicable only to construction contracts that have a construction contract value in excess of \$2.5 million.