



Board Report

File #: 2024-0059, **File Type:** Contract

Agenda Number: 31.

**OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE
MARCH 21, 2024**

SUBJECT: POWER SWEEPING SERVICES

ACTION: APPROVE CONTRACT AWARD

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award a firm fixed unit rate Contract No. OP1066318370000 to Joe’s Sweeping, Inc. dba Nationwide Environmental Services, to provide systemwide power sweeping services in the not-to-exceed (NTE) amount of \$7,162,050 for the three-year base period and \$2,588,620 for each of the two, one-year options, for a total NTE amount of \$12,339,290, effective June 1, 2024.

ISSUE

The existing power sweeping services contract expires on May 31, 2024. To avoid a lapse in service and continue providing safe, quality, regularly scheduled, and as-needed power sweeping services systemwide, a new contract award is required, effective June 1, 2024.

BACKGROUND

On April 26, 2018, the Board awarded a firm fixed unit rate Contract No. OP962800003367 to Nationwide Environmental Services to provide regularly scheduled and as-needed power sweeping services throughout Metro facilities and parking lots, effective June 1, 2018.

Under the existing contract, the contractor is required to provide power sweeping services for 110 Metro bus and rail facilities and 40 Caltrans owned Park and Ride (P&R) facilities, for a total of 150 facilities. With the opening of the Metro K line (Crenshaw/LAX) and the acquisition of properties, services were expanded to include an additional 11 bus and rail facilities for an updated total of 161 facilities and parking lots. To date, the contractor has been satisfactorily providing regularly scheduled and as-needed power sweeping services systemwide.

While staff continuously evaluates service levels and explores opportunities for improvements, Metro’s service area was split geographically into North and South regions. These actions are necessary to increase competition and expand opportunities for small business participation.

On November 18, 2021, a new SBE set-aside solicitation was issued to provide power sweeping services under two (2) new contracts for the North and South regions. On December 22, 2021, two

(2) bids were received, one (1) per region. However, the bids were deemed non-responsive for not meeting the SBE goals, and the solicitation was canceled on March 17, 2022. A follow-up market survey was conducted to obtain feedback from firms on the plan holders list and the firms that submitted bids. Based on the feedback received, staff re-evaluated Metro's service area and restructured the scope of services splitting Metro's service area into three (3) geographical regions, to further enhance competition and small business participation.

On June 23, 2022, the Board approved Modification No. 11, extending the existing contract period of performance from August 31, 2022, through March 31, 2023, and increasing the contract authority by \$995,000 from \$5,846,346 to \$6,841,346 to ensure service continuity and allow time for a re-solicitation. Concurrently, in preparation for the re-solicitation, two (2) outreach events were conducted on June 21, 2022, and June 29, 2022, where staff provided an overview of the upcoming procurement for the newly restructured three (3) regional contracts.

The new SBE prime set-aside solicitation was issued on September 9, 2022, with a bid due date of October 10, 2022. Since no bids were received, staff followed up with a market survey to obtain feedback from plan holders. The market survey revealed that since the COVID-19 pandemic, the private sector for power sweeping on the West Coast has experienced major changes where larger companies began to acquire smaller businesses, resulting in fewer firms capable of providing power sweeping service while facing significant challenges with long lead times for vehicle acquisition, ability to meet South Coast Air Quality Management District (AQMD) regulations and guidelines, and having the available resources to meet market demand. Therefore, staff re-evaluated Metro's service area and restructured it under one (1) contract to provide systemwide power sweeping services throughout Metro's bus and rail facilities.

To ensure service continuity, on March 23, 2023, the Board approved Modification No. 14, extending the existing contract period of performance from June 1, 2023, through May 31, 2024, and increasing the contract authority by \$1,902,420 from \$6,841,346 to \$8,743,766. On August 30, 2023, a new open competitive solicitation was issued and one (1) bid was received on October 4, 2023, from Nationwide Environmental Services, Inc.

DISCUSSION

Under the new contract recommended for award, the contractor is required to continue providing regularly scheduled and as-needed power sweeping services throughout Metro facilities and parking lots. Services include the removal of trash and debris such as leaves, glass, and metal particles from parking lots, parking structures, and gutters. During the contract period of performance, the number of Metro bus and rail facilities serviced will increase from a total of 161 to 168 with the completion of the Airport Metro Connector (AMC) in late 2024 and the A Line (Blue) Foothill Extension 2B expansion project in early 2025.

This contract is critical to Metro's operations to mitigate against accumulation of trash and debris and ensure the provision of safe and clean facilities and parking lots for Metro employees and patrons. While the new contract amount is 42% higher than the Independent Cost Estimate (ICE) and the existing contract amount, this reflects the post COVID-19 market factors including the significantly escalated prices of fuel, materials and vehicle acquisitions along with the major changes and

mergers within the power sweeping industry resulting in fewer firms capable of providing power sweeping services. Also, the new contract amount accounts for the new locations associated with Metro's system expansion projects as well as increased service levels to enhance the overall maintenance services. Therefore, the new contract amount is deemed fair and reasonable.

DETERMINATION OF SAFETY IMPACT

The approval of this item will ensure service continuity and meeting Metro maintenance standards by providing regularly scheduled and as-needed power sweeping services with prompt response to deliver safe, quality, on-time, and reliable services, as well as continuously enhancing Metro bus and rail facilities' overall appearance and cleanliness.

FINANCIAL IMPACT

For power sweeping services, funding of \$449,000 for the remainder of FY24 is allocated under cost center 8370 - Facilities Contracted Maintenance Services, account 50308, Service Contract Maintenance, under various projects.

Since this is a multi-year contract, the cost center manager and Deputy Chief Operations Officer, Shared Mobility will be accountable for budgeting the cost in future years.

Impact to Budget

The current source of funds for this action includes operating eligible sales tax funding including Passenger Fares, Propositions A/C, Measures R/M, STA, and the Transportation Development Act. These fund sources are eligible for bus and rail operations. Use of these funding sources leverages maximum project fund use given approved guidelines and provisions.

EQUITY PLATFORM

Regularly scheduled and as-needed power sweeping services contribute to improving Metro bus and rail facilities' cleanliness and providing a safe, quality, accessible, and reliable environment for Metro's patrons. Bus and Rail station cleanliness was identified as one of the top areas of concern in the 2020 Customer Experience Survey and the FY23 Metro Budget Survey conducted to develop the Metro Customer Experience Plan 2022 and assist with funds allocation for the FY24 budget.

As part of this solicitation, two (2) Systemwide Metro Connect Outreach events were held on May 31, 2023, and June 14, 2023, with the participation of over 30 attendees representing small and medium size firms within Equity Focus Communities, such as the South Park and Willowbrook communities. The outreach events were advertised to existing businesses registered with Metro's Diversity and Economic Opportunity Department (DEOD). During the outreach events, staff provided an overview detailing the new enhanced Medium Size Business Enterprise (MSZ) and SBE Program's policy for competitively negotiated procurements. Staff also provided an overview of the upcoming solicitation scope of services.

The Diversity and Economic Opportunity Department (DEOD) established a 7% SBE goal and a 3% Disabled Veterans Business Enterprise (DVBE) goal. Joe's Sweeping, Inc. dba Nationwide Environmental Services, made a 7% SBE and 3% DVBE commitment. See Attachment B - DEOD Summary.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The staff recommendation supports Strategic Goal 2: Deliver outstanding trip experiences for all users of the transportation system. As an identified top area of concern, performing ongoing scheduled and as-needed power sweeping directly improves Metro bus and rail facilities' cleanliness thereby enhancing customers' overall transit experience.

ALTERNATIVES CONSIDERED

The Board may elect not to approve this recommendation. This option is not recommended as it would result in a gap in service impacting Metro's system safety, cleanliness, and customer experience.

With the completion of a financial based insourcing/outsourcing study based on a quantitative and qualitative assessment, staff has analyzed insourcing/outsourcing options for power sweeping services among other services. Based on the findings, power sweeping services may be considered for insourcing. Approving this recommendation for a contract award will allow staff the time during the three-year base contract term to take the necessary steps for the planning, acquisition of equipment and materials, allocation of resources, training, and implementation to bring power sweeping services in-house.

NEXT STEPS

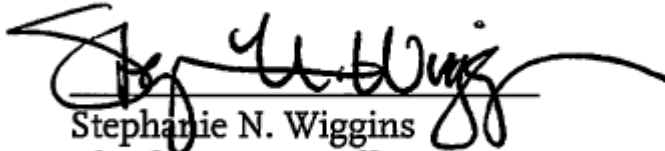
Upon approval by the Board, staff will execute Contract No. OP1066318370000 with Joe's Sweeping, Inc. dba Nationwide Environmental Services to provide power sweeping services throughout Metro's bus and rail facilities and Caltrans owned P&R facilities effective June 1, 2024.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - DEOD Summary

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Stephanie N. Wiggins
Chief Executive Officer

PROCUREMENT SUMMARY

POWER SWEEPING SERVICES / OP1066318370000

1.	Contract Number: OP1066318370000	
2.	Recommended Vendor: Joe's Sweeping, Inc. dba Nationwide Environmental Services	
3.	Type of Procurement (check one): <input checked="" type="checkbox"/> IFB <input 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: August 30, 2023	
	B. Advertised/Publicized: September 1, 2023	
	C. Pre-Bid Conference: September 6, 2023	
	D. Bid Due Date: October 4, 2023	
	E. Pre-Qualification Completed: December 11, 2023	
	F. Ethics Declaration Form Submitted to Ethics: October 5, 2023	
	G. Protest Period End Date: March 26, 2024	
5.	Solicitations Picked up/Downloaded: 8	Bids/Proposals Received: 1
6.	Contract Administrator: Ricardo E. Narvaez	Telephone Number: 213-418-3158
7.	Project Manager: Maral Minasian	Telephone Number: 213-922-6762

A. Procurement Background

This Board action is to approve the award of Contract No. OP1066318370000 to provide power sweeping services for Metro transit facilities including, but not limited to bus divisions, terminals, busways, railroad trackways, layover areas, rail divisions and train/bus stations park-and-ride lots. Board approval of contract award is subject to the resolution of any properly submitted protest, if any.

Metro initiated the procurement process for power sweeping services in November 2021. The initial Invitation for Bid (IFB) solicitation was issued on November 24, 2021 under the Small Business Enterprise Set-Aside Program and was open to Metro-certified SBE firms. The service area was comprised of two geographical regions to encourage participation by Metro-certified small business firms and increase competition. However, one bid was received and was determined non-responsive because it did not meet the SBE Prime Set-Aside Commercial Useful Function Requirement of 30% established for the solicitation.

Metro staff conducted a market survey of the firms on the planholders list to determine why no other bids were received. The survey revealed that firms were not able to submit bids because the service areas were too large and the required equipment is difficult for small business firms to afford.

Based on that market survey feedback, the service area was divided into three regions, and the equipment requirements were relaxed to encourage competition. On September 9, 2022, Metro reissued the solicitation for a second time as an SBE Set-Aside Program opportunity. However, no bids were received.

Metro staff conducted a market survey of the firms on the planholders list to determine why no bids were received. The survey revealed that due to the onset of the COVID-19 pandemic, the power sweeping industry on the West Coast had experienced major vendor consolidation as larger companies began to acquire smaller businesses, resulting in fewer providers of power sweeping services. The industry also faced other significant challenges such as longer lead times for the acquisition of power sweeping and cleaning equipment, the ability to stay compliant and competitive due to stringent sustainability regulations and guidelines of the South Coast Air Quality Management District (AQMD), and the availability of manpower resources to meet market demand.

Prior to the release of the third solicitation, Metro conducted two virtual Metro Connect Forum Outreach events on May 31, 2023, and June 14, 2023, which were attended by over 30 attendees representing small and medium-sized firms within the Equity Focus Communities. During the outreach events, staff provided an overview detailing the new enhanced Medium Size Business Enterprise (MSZ) and SBE Program policies for competitively sealed bid procurements. The event also informed the small business community of the upcoming contracting opportunity to increase and promote small business participation.

On August 30, 2023, IFB No. OP1066318370 was issued as a competitive sealed bid procurement in accordance with Metro's Acquisition Policy and the contract type is a firm fixed unit rate contract.

The IFB was issued with a 7% SBE goal and a 3% Disabled Veterans Business Enterprise (DVBE) goal. Further, the solicitation was subject to the Local Small Business Enterprise (LSBE) Preference Program, which gives eligible bidders a 5 percent preference as a bid price reduction for the utilization of local small business firms.

One (1) amendment was issued during the solicitation phase of this IFB:

- Amendment No. 1, issued September 15, 2023, provided the MS Word version of Exhibit 2 - Schedule of Quantities and Prices for ease in completing and submitting bids.

A total of 8 firms downloaded the IFB and were included on the planholders list. A virtual pre-bid conference was held on September 6, 2023, and was attended by five participants representing five firms. There were no questions asked during the solicitation phase.

On the bid due date of October 4, 2023, Metro received a single bid from Joe's Sweeping, Inc. dba Nationwide Environmental Services. Since only one bid was

received, Metro staff conducted a market survey of the firms on the planholders list to determine why no other bids were received. The following is a summary of the market survey responses:

- Not having manpower resources to fulfill the contract.
- Provides power seeping services in Northern and Central California but elected not to submit a bid.
- Not having the required power sweeping equipment.
- Not having the financial resources to undertake the scope of service.
- Interested in submitting a bid but the requirements of the scope of services are outside the business model.
- Four firms downloaded the solicitation but do not provide power sweeping services.

Metro staff determined that the solicitation was not restrictive. The market survey revealed that the decisions not to propose were based on individual business considerations. Therefore, this solicitation can be awarded as a competitive award.

B. Evaluation of Bid

This procurement was conducted in accordance with Metro’s Acquisition Policy for a competitive sealed bid. Nationwide Environmental Services’ bid was evaluated to determine responsiveness to the solicitation requirements. Areas of responsiveness include meeting the minimum qualifications requirements, such as years of experience providing power sweeping services and current capacity to provide the required power sweeping equipment.

Nationwide Environmental Services was determined to be qualified to perform the services based on the IFB requirements.

C. Price Analysis

The recommended amount has been determined to be fair and reasonable based on the independent cost estimate (ICE), price analysis using historical data, fact-finding, and technical analysis.

	Bidder Name	Bid Amount	Metro ICE	Recommended Amount
1.	Joe’s Sweeping, Inc. dba Nationwide Environmental Services	\$ 12,339,290	\$ 8,649,796	\$ 12,339,290

The variance between the recommended amount and Metro’s ICE is due to post-COVID-19 market factors that led to substantial increases in operating costs, (e.g. equipment, tires, fuel, and insurance premiums), and service frequency adjustments to improve service that were not included in the ICE.

D. Background on Recommended Contractor

Joe's Sweeping, Inc. dba Nationwide Environmental Services, was founded in 1989 and is located in Norwalk, CA. The firm specializes in providing power sweeping services for parking lots, surface streets, construction sites, and other open spaces for municipalities, residential communities, business parks, private companies, school districts, and public transportation agencies. Nationwide Environmental Services' clients include the Cities of Norwalk, Pico Rivera, Montebello, Huntington Beach, Sante Fe Springs, Commerce, and La Habra.

The Nationwide Environmental Services team includes one SBE subcontractor and one DVBE subcontractor. They will provide tires and re-treading services.

Nationwide Environmental Services has been providing power sweeping services to Metro since 1997 and performance has been satisfactory.

DEOD SUMMARY

POWER SWEEPING SERVICES / OP1066318370000

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) established a 7% Small Business Enterprise (SBE) and 3% Disabled Veteran Business Enterprise (DVBE) goal for this solicitation. Joe’s Sweeping, Inc. dba Nationwide Environmental Services made a 7% SBE and 3% DVBE commitment.

Small Business Goal	7% SBE 3% DVBE	Small Business Commitment	7% SBE 3% DVBE
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	SBE Subcontractors	% Committed	LSBE	Non-LSBE
1.	Islas Tires, Inc.	7%		X
	Total SBE Commitment	7%		

	DVBE Subcontractors	% Committed	LSBE	Non-LSBE
1.	Hunter Tires	3%	X	
	Total DVBE Commitment	3%		

B. Local Small Business Preference Program (LSBE)

Joe’s Sweeping, Inc. dba Nationwide Environmental Services, a non-LSBE prime, did not subcontract at least 30% of its contract value with eligible LSBE firms and is ineligible for the preference.

C. 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 \$24.52 per hour (\$18.57 base + \$5.95 health benefits), including yearly increases. The increase may be up to 3% of the total wage, annually. 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.

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.