



## Board Report

File #: 2015-1238, File Type: Contract

Agenda Number: 36.

### SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE NOVEMBER 19, 2015

**SUBJECT: CONVENIENCE COPYING SERVICES**

**ACTION: AWARD CONTRACT**

#### **RECOMMENDATION**

AUTHORIZING the Chief Executive Officer to award and execute a five-year, indefinite delivery, indefinite quantity Contract No. PS3825500 beginning December 1, 2015, with **Xerox Corporation the highest rated proposer for the lease and maintenance of multi-function peripherals for convenience copying** in an amount not-to-exceed \$3,757,066, inclusive of estimated sales taxes.

#### **ISSUE**

Metro's lease of networked MFP's will expire on December 31, 2015 and a new lease is required.

#### **DISCUSSION**

Metro's lease of 184 networked MFP's that enable staff at all Metro locations to copy, print, fax, and scan documents and reports will expire on December 31, 2015. In the next lease, Metro requires 210 units to facilitate growth, including for these new facilities:

- Division 13 - Bus Division, Downtown Los Angeles
- Division 14 - Expo Line Division, Santa Monica
- Division 24 - Gold Line Foothill Division, Monrovia
- Location 63 - One Santa Fe Office, L.A. Arts District

#### **DETERMINATION OF SAFETY IMPACT**

Approval of this recommendation will not impact the safety of Metro's patrons or employees.

#### **FINANCIAL IMPACT**

The funding of \$1,000,000 for convenience copying service is included in the FY16 budget in cost center 6420, Copy Services under project 100001, General Overhead, and line item 51205, Leases and Rentals. Since this is a multi-year contract, the Executive Director, Employee & Labor Relations will be responsible for budgeting the cost in future years.

### Impact to Budget

The source of funds for project 100001 is a combination of all available agency funds. General Overhead project 100001 is allocated to all direct projects based on federally approved guidelines and cost allocation plan. No other source of funds was considered for these activities as these services are used by all departments within the agency.

### **ALTERNATIVES CONSIDERED**

Alternatives to approving this recommendation:

1. Continue the current lease for multi-function devices. This alternative is not recommended because the equipment has been in use for almost five years and many of machines are worn out, unreliable and obsolete. Additionally, newer technology along with increased capabilities allows staff to print and improve document management processes.
2. Send all photocopying and printing to the Copy Center and/or an outside vendor. This alternative is not recommended because this 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 individual work areas.
3. Purchasing new machines. This alternative is not recommended due to the large initial capital cost that would be involved in acquiring multi-function peripherals, and the obsolescence that occurs with electronic devices.

### **NEXT STEPS**

Upon Board approval, staff will award and execute an agreement with Xerox for the lease and maintenance of multi-function peripherals for convenience copying.

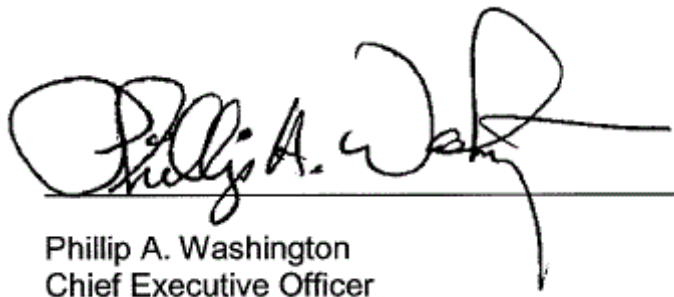
### **ATTACHMENTS**

Attachment A - Procurement Summary

Attachment B - DEOD Summary

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Phillip A. Washington  
Chief Executive Officer

**PROCUREMENT SUMMARY**  
**CONVENIENCE COPYING SERVICES**

1.	<b>Contract Number:</b> PS3825500	
2.	<b>Recommended Vendor:</b> Xerox Corporation	
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 5, 2015	
	<b>B. Advertised/Publicized:</b> August 5, 2015	
	<b>C. Pre-proposal/Pre-Bid Conference:</b> N/A	
	<b>D. Proposals/Bids Due:</b> September 23, 2015	
	<b>E. Pre-Qualification Completed:</b> October 22, 2015	
	<b>F. Conflict of Interest Form Submitted to Ethics:</b> October 6, 2015	
	<b>G. Protest Period End Date:</b> November 24, 2015	
5.	<b>Solicitations Picked up/Downloaded:</b> 29	<b>Bids/Proposals Received:</b> 13
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 contract award in support of General Services to lease and maintain a fleet of convenience copiers for use by Metro employees as outlined in Request for Proposal (RFP) No. PS15534.

The RFP was issued as a competitively negotiated procurement in accordance with Metro's Acquisition Policy. The contract type is firm fixed unit price.

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

- Amendment No. 1, issued on August 11, 2015, clarified and corrected the Schedule of Quantities and Pricing Form;
- Amendment No. 2, issued on August 20, 2015, clarified sections of the Statement of Work, extended the proposal due date, and released Questions and Answers No. 1;
- Amendment No. 3, issued on August 25, 2015, added additional information to the Schedule of Quantities and Pricing Form and released Questions and Answers No. 2;
- Amendment No. 4, issued on September 11, 2015, clarified sections of the Statement of Work and released Questions and Answers No. 3;
- Amendment No. 5, issued on September 17, 2015, extended the proposal due date to September 23, 2015.

A total of 13 proposals were received on September 23, 2015.

## **B. Evaluation of Proposals**

Proposal submittals were evaluated in accordance with 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:

- Effectiveness of Management Plan and Understanding of the Work 40%
- Degree of the Contractor's (firm and staff) Skills and Experience 30%
- Cost 30%

The evaluation criteria are appropriate and consistent with criteria developed for similar procurements for General Services. Several factors were considered when developing these weights, giving the greatest importance to the effectiveness of the management plan and understanding of the work.

Of the 13 proposals received, three were determined to be within the competitive range. The three proposers within the competitive range are listed below in alphabetical order:

1. Canon Business Solutions, Inc.
2. SoCal Office Technologies
3. Xerox Corporation

Ten firm's scores were substantially lower and determined to be outside of the competitive range and were not included for further consideration due to their inability to provide sufficient information that was required in the RFP. In general, the Proposal Evaluation Team (PET) members found these proposals lacking detail of how proposers understood the Statement of Work and lacked information to fully support the proposer's skills and experience.

The PET consisting of staff from Metro's General Services met on September 30, 2015 to conduct a comprehensive review of the technical qualifications of the proposal submissions received. 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 understanding of the workplan, degree of skills and experience, and equipment necessary to perform the services outlined in the statement of work. The proposals highlighted the firms' capabilities, and the roles of the proposer's project and management teams.

## **Qualifications Summary of Firms Within the Competitive Range:**

### **CANON BUSINESS SOLUTIONS, INC.**

Canon Business Solutions, Inc. was founded in 1971. Canon Business Solutions, Inc. is a Canon U.S.A. company providing integrated systems technology that comprises one of the strongest solutions portfolios in the document management industry. Canon Business Solutions, Inc. provides networked office systems, graphic systems, copiers, printers, scanners, and fax machines. Canon Business Solutions, Inc. is currently under contract for these services with Metro and their performance has been satisfactory.

### **SO CAL OFFICE TECHNOLOGIES**

SoCal Office Technologies is one of the largest subsidiaries of Global Imaging Systems, Inc. a Xerox wholly owned company since 2009. SoCal Office Technologies has been providing document technology and services since 1977. SoCal Office Technologies offers an innovative mix of products and services that have affected the way that organizations manage their document assets.

### **XEROX CORPORATION**

Xerox Corporation (Xerox) was founded in 1906. Today, Xerox is a company focused on supporting critical business processes for enterprises of all sizes. The firm remains one of the leaders in their industry. Examples of the company's services include transaction processing services, managed and centralized print services, legal and e-Discovery services, and finance, accounting and payment services.

The PET recommendation for contract award is the following:

1	FIRM	Average Score	Factor Weight	Weighted Average Score	Rank
2	<b>Xerox</b>				
3	Effectiveness of Management Plan and Understanding of the Work	77.50	40.00%	31.00	
4	Degree of the Contractor's (firm and staff) Skills and Experience	73.33	30.00%	22.00	
5	Cost	100.00	30.00%	30.00	
6	<b>Total</b>		<b>100.00%</b>	<b>83.00</b>	<b>1</b>
7	<b>Canon Business Solutions</b>				
8	Effectiveness of Management Plan	77.00	40.00%	31.00	

	and Understanding of the Work				
9	Degree of the Contractor's (firm and staff) Skills and Experience	70.00	30.00%	21.00	
10	Cost	66.00	30.00%	20.00	
11	<b>Total</b>		<b>100.00%</b>	<b>72.00</b>	<b>2</b>
12	<b>SoCal Office Technologies</b>				
13	Effectiveness of Management Plan and Understanding of the Work	57.50	40.00%	23.00	
14	Degree of the Contractor's (firm and staff) Skills and Experience	63.33	30.00%	19.00	
15	Cost	80.00	30.00%	24.00	
16	<b>Total</b>		<b>100.00%</b>	<b>66.00</b>	<b>3</b>

### C. Cost/Price Analysis

The recommended pricing for the contract is fair and reasonable based on adequate price competition and technical evaluation. Xerox's proposed price is substantially lower than Metro's ICE because their total price is inclusive of print charges each year plus any meter volume exceeding the base allowances for black and white and color copies. Thus, this results in a difference of \$3 million from the ICE and a savings from the second rated proposer of \$1,532,224.

PROPOSER	PROPOSAL AMOUNT	METRO ICE	AWARD AMOUNT
Xerox Corporation	\$3,757,066	\$6,700,00	\$3,757,066
Canon Business Solutions, Inc.	\$5,289,290	\$6,700,00	
SoCal Office Technologies	\$4,402,781	\$6,700,00	

### D. Background on Recommended Contractor

Xerox is one of the leading enterprises for business process and document management services in the marketplace. Xerox manufactures and sells a wide variety of office equipment including scanners, printers, and multifunction systems that scan, print, copy, e-mail and fax. For the graphic communications and commercial print industries, the Xerox product portfolio includes high-volume, digital printing presses, production printers, and wide format printers that use xerographic and inkjet printing technologies. Although Xerox is a global company, they offer a

strong local support system for Metro through their local sales and technical support organizations. Xerox also maintains a Supplier Diversity Program to proactively partner with diverse and minority-owned businesses to help clients reach their own diversity goals. Xerox maintains a fleet of certified DBEs across the country that receive on-site training and technical analyst support. Through their proposal, Xerox has committed to standardize multi-functional devices across common platforms and user interfaces, reduce IT burden, streamline training and support processes, and reduce overall print costs by at least 30%-50% from our current copier contract.



**DEOD SUMMARY****CONVENIENCE COPYING SERVICES – PS3825500****A. Small Business Participation**

The Diversity and Economic Opportunity Department (DEOD) established a 5% Disadvantaged Business Enterprise (DBE) goal for this solicitation. Xerox Corporation exceeded the goal by making a 5.22% DBE commitment.

<b>Small Business Goal</b>	<b>5% DBE</b>	<b>Small Business Commitment</b>	<b>5.22% DBE</b>
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	<b>DBE Subcontractor</b>		<b>% Committed</b>
1.	Atlas Teknology Group, Inc.	Asian Pacific	5.22%
	<b>Total Commitment</b>		<b>5.22%</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.