

**Board Report**

File #: 2016-0395, **File Type:** Contract**Agenda Number:** 33.

**SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE
JUNE 16, 2016****SUBJECT: UNIFORM RENTAL SERVICES****ACTION: APPROVE CONTRACT MODIFICATION****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to execute Modification No. 9 to Contract No. OP30002227 for **Uniform Rental Services with Prudential Overall Supply** for the not-to-exceed amount of \$650,000, increasing the total contract not-to-exceed value from \$4,515,029.28 to \$5,165,029.28. This modification also extends the period of performance by nine (9) months, from July 1, 2016, through March 31, 2017.

This contract provides on-going uniform rental services, vehicle seat covers, and laundry services for hand towels and floor mats.

ISSUE

Per the current ATU and TCU Collective Bargaining units' agreements, Metro is required to provide over 2,300 Metro represented employees with up to 11 uniforms per employee, as well as provide laundry services for the uniforms.

To avoid service interruption, continue providing the necessary uniform rental program and services, and allow sufficient time to perform all necessary administrative processes associated with contract closeout and changeover, a contract modification is required to extend the period of performance by nine (9) months, from July 1st, 2016 through March 31, 2017 and increase contract expenditure authority while the new procurement actions are completed. Staff anticipates returning to the Metro Board of Directors with a recommendation for award to the new solicitation during the month of November, 2016.

DISCUSSION

Currently under this Contract, uniform rental services are provided to over 2,300 Metro represented labor employees, as well as providing vehicle seat covers and laundry services for hand towels and floor mats.

The existing uniform rental services Contract No. OP30002227 with Prudential Overall Supply (POS)

will expire on June 30, 2016. At the January 2016 Board meeting, the Board approved and awarded Item #40 for a new contract award with POS to provide uniform rental services for a not-to-exceed amount of \$3,108,087 for a three-year term. As part of their bid, POS made a 0% Small Business Enterprise (SBE) commitment. Although the solicitation originally included two, one year option terms, the contract recommendation only included the base three-year award to demonstrate Metro's commitment to the Small Business Program.

Subsequent to award, POS expressed financial concerns related to their bid considering the elimination of the option years, and requested additional compensation beyond their submitted bid. Staff informed POS that by submitting a bid in response to the IFB, they had agreed to the terms and conditions of the contract including Metro's right not to exercise the option years, which was part of the IFB. POS then informed Metro that they would not be able to execute the contract.

Therefore, Staff is re-procuring for this service while reaching out to uniform suppliers soliciting their feedback to address any questions regarding the previous procurement requirements and updating the solicitation package in an effort to allow an opportunity for small business involvement, increase competition and attract more firms and small businesses to work with Metro.

Staff has been actively working with the current contractor as well as Metro represented employees to ensure timely and improved service delivery. Necessary adjustments have been made through developing new procedures and improving communications among parties involved to address the employees' feedback received;

- Improve the process to obtain new uniforms for Metro newly hired employees and employees new to a classification.
- Ensure the availability of uniforms designed for females.
- Ensure employees transferred from one location to another continue to receive the required uniforms.
- Ensure timely service of uniforms in need of repair or replacement uniforms in lieu of worn-out sets.

Staff distributed the updated procedures for each of the inquiries listed above to all the Division Managers and Assistant Managers. These procedures are to be followed by the employees and their supervisors. Staff continues to proactively work with the contractor and Metro represented employees to further improve service delivery and reliability.

To avoid uniform rental service interruption, a contract modification is required to extend the period of performance and increase contract expenditure authority while the new procurement process is completed.

DETERMINATION OF SAFETY IMPACT

The approval of this item will ensure the supply of uniforms that clearly identify Metro represented labor employees and continue delivering safe, quality, on-time and reliable services system-wide.

FINANCIAL IMPACT

Funding of \$650,000 for this contract is included in the FY17 proposed budget in multiple maintenance cost centers, account - 50215 (F/B Uniforms), projects 306002 (Bus Operations), 300022 (Blue Line Operations), 300033 (Green Line Operations), 300044 (Red Line Operations), 300055 (Gold Line Operations), 301012 (Orange Line Operations), and 300066 (Expo Line).

Impact to Budget

The current year funding for this action will come from the Enterprise operating fund. The source of funds for this procurement will come from Federal, State and local funding sources that are eligible for Bus and Rail Operating or Capital Projects. These funding sources will maximize the use of funds for these activities. This activity is part of Metro's on-going maintenance costs.

ALTERNATIVES CONSIDERED

Staff considered executing a short term contract with a different vendor, in the interim, until the new solicitation processes are completed. This will require several months to close-out the existing contract, setup the short term contract and allow approximately 90 days for the ordering of new uniforms. Staff's assessment indicates this is time consuming and not a cost-effective option for Metro.

Staff further considered purchasing uniforms, hand towels, mats, and vehicle seat covers, along with providing in-house laundry services. This would require the hiring and training of additional personnel, purchase of additional equipment, vehicles, and supplies to support the expanded responsibility. Staff's assessment indicates this is not a cost-effective option for Metro.

NEXT STEPS


Upon Board approval, staff will execute Modification No. 9 with Prudential Overall Supply under the current Contract No. OP30002227 to continue providing uniform rental and laundry program services until the replacement contract begins.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - DEOD Summary
Attachment C - Contract Modification/Change Order Log

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Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

UNIFORM RENTAL SERVICES / OP30002227

1.	Contract Number: OP30002227			
2.	Contractor: Prudential Overall Supply			
3.	Mod. Work Description: Additional Funding and Extend the Period of Performance			
4.	Contract Work Description: Uniform Rental Services			
5.	The following data is current as of: May 19, 2016			
6.	Contract Completion Status		Financial Status	
	Contract Awarded:	11/19/08	Contract Award Amount:	\$2,538,329.00
	Notice to Proceed (NTP):	N/A	Total of Modifications Approved:	\$1,976,700.28
	Original Complete Date:	11/30/15	Pending Modifications (including this action):	\$650,000.00
	Current Est. Complete Date:	3/31/17	Current Contract Value (with this action):	\$5,165,029.28
7.	Contract Administrator: Rommel Hilario		Telephone Number: 213-922-4654	
8.	Project Manager: Carlos Martinez		Telephone Number: 213-922-2761	

A. Procurement Background

This Board Action is to approve Modification No. 9 to Contract No. OP30002227 for Uniform Rental Services, Firm Fixed Unit Price Contract with Prudential Overall Supply for the not-to-exceed amount of \$650,000, increasing the total not-to-exceed contract value from \$4,515,029.28 to \$5,165,029.28. This Modification also extends the period of performance from June 30, 2016 to March 31, 2017. In addition to providing on-going uniform rental services, the Contract provides laundry services for uniforms, hand towels, and floor mats.

A total of eight Modifications have been executed to date. Refer to Attachment C – Contract Modification/Change Order Log.

The purpose of the Contract Modification is to extend the period of performance to the existing contract which will allow staff sufficient time to issue another procurement for a new contract. A new contract was approved by the Board on January 28, 2016, to award to POS. POS was the only firm who submitted a bid, with a 0% SBE

commitment. As this was a non-federally funded IFB, meeting the SBE goal could not be a condition of award. The contract award recommendation complied with the California code but only included the base three-year term to demonstrate Metro's commitment to the Small Business Program and allow for an earlier re-procurement. POS has refused to sign the contract as a result of the elimination of the option terms. Therefore, staff will issue another solicitation for the reprocurement of uniform services.

B. Cost/Price Analysis

The extension pricing has been determined to be fair and reasonable. The rates offered for the extension are the existing fixed unit rates in the current contract.

	BID AMOUNT	METRO ICE	NEGOTIATED AMOUNT
1	\$650,000	\$650,000	\$650,000

DEOD SUMMARY

UNIFORM RENTAL SERVICES / OP30002227

A. Small Business Participation

The Diversity & Economic Opportunity Department (DEOD) did not recommend a Disadvantaged Business Enterprise Level of Participation (DALP) due to the lack of subcontract opportunities. Prudential Overall Supply did not make a DBE commitment, meeting the DALP was not a condition of award.

B. Project Labor Agreement/Construction Careers Policy

Project Labor Agreement/Construction Careers Policy is not applicable to this contract.

C. Living Wage Service Contract Worker Retention Policy

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

D. Prevailing Wage Applicability

Prevailing wage is not applicable to this modification.

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ATTACHMENT C**CONTRACT MODIFICATION/CHANGE ORDER LOG****UNIFORM RENTAL SERVICES/OP30002227**

Mod. No.	Description	Date	\$ Amount
1	Revised SOW – Added uniform items	12/17/08	\$0
2	Administrative Change	12/18/08	\$0
3	Revised SOW – Added uniform items	4/14/11	\$144,991
4	Revised SOW – Added uniform items	5/11/11	\$68,497.52
5	Revised SOW – Added uniform items	2/1/13	\$13,033.76
6	Pay Delinquent Invoices	8/30/14	\$120,178
7	Period of Performance Extension	11/14/14	\$850,000
8	Period of Performance Extension	9/17/15	\$780,000
9	Additional Funding and Period of Performance Extension	PENDING	\$650,000
	Modification Total:		\$2,626,700.28
	Original Contract:	11/19/08	\$2,538,329
	Total:		\$5,165,029.28