



## Board Report

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**File #:** 2017-0834, **File Type:** Contract

**Agenda Number:** 24.

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### SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE JANUARY 18, 2018

**SUBJECT: HIGH SPEED/VOLUME COPIERS - METRO COPY CENTER**

**ACTION: AWARD CONTRACT**

#### **RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to award a firm fixed unit rate, Contract No. PS9395700 to Canon Solutions America, Inc., to provide high speed/volume copiers for Metro Copy Center for five years in an amount not-to-exceed \$1,977,549, inclusive of sales taxes, subject to resolution of protest(s), if any.

#### **ISSUE**

Metro's current contracts for the lease of high-speed copiers, document finishing equipment, maintenance, and other services will expire on February 28, 2018.

#### **DISCUSSION**

Metro requires high-speed copy machines, laminating, binding and other finishing equipment to produce a wide range of documents that are required for agency business, including:

- Board and committee agenda packets
- Bound departmental reports
- Budget books
- Bus and rail "shake-up" materials
- Departmental forms
- Large format blueprints and posters
- Procurement IFB and RFP Packages
- Training manuals
- EIR/EIS and other planning documents

Documents are sent to the Copy Center whenever they can be produced more cost effectively and at a higher quality than is possible on convenience copiers.

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**DETERMINATION OF SAFETY IMPACT**

Approval of this Board item will not have any impacts on the safety of our customers and employees.

**FINANCIAL IMPACT**

Since this is a multi-year contract, the cost center manager and Executive 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. These funds are eligible for bus and rail operating costs.

**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 has become less reliable as it has aged. 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 response time for production of critical documents. This alternative would also require modification of Metro's collective bargaining agreement with TCU that represents Copy Center employees who perform this work.

**NEXT STEPS**

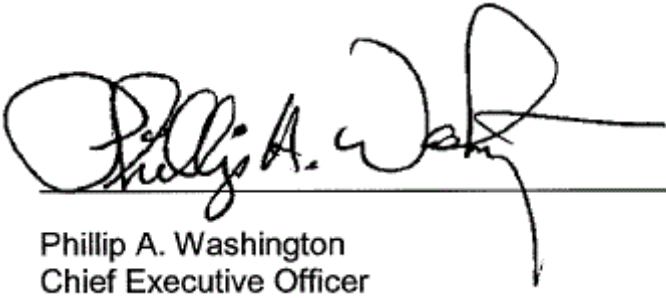
Upon Board approval, staff will execute Contract No. PS9395700 with Canon Solutions America, Inc., to provide high speed/volume copiers for Metro Copy Center.

**ATTACHMENTS**

- A. Attachment A - Procurement Summary
- B. Attachment B - DEOD Summary

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Phillip A. Washington  
Chief Executive Officer

## PROCUREMENT SUMMARY

## HIGH SPEED/VOLUME COPIERS – METRO COPY CENTER / PS93957000

1.	<b>Contract Number:</b> PS93957000	
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 11, 2017	
	<b>B. Advertised/Publicized:</b> August 11, 2017	
	<b>C. Pre-Proposal/Pre-Bid Conference:</b> August 22, 2017	
	<b>D. Proposals/Bids Due:</b> September 14, 2017	
	<b>E. Pre-Qualification Completed:</b> Pending	
	<b>F. Conflict of Interest Form Submitted to Ethics:</b> November 29, 2017	
	<b>G. Protest Period End Date:</b> January 22, 2018	
5.	<b>Solicitations Picked up/Downloaded:</b> 14	<b>Bids/Proposals Received:</b> 8
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 a contract award to lease equipment for Metro's Copy Center. The Contractor will be responsible for furnishing, at no additional cost, technical support, repair services by factory trained personnel, maintenance, initial and on-going training, applicable software and software licenses, hardware and hardware retrofits, equipment relocation/moving services, and all supplies throughout the term of the Contract. Board approval of contract awards is subject to resolution of any properly submitted protest.

Request for Proposal (RFP) No. PS43240 was issued as a competitive negotiated procurement in accordance with Metro's Acquisition Policy.

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

- Amendment No. 1, issued on August 23, 2017, provided pre-proposal documents including agenda, sign-in sheets, and planholder's list;
- Amendment No. 2, issued on September 1, 2017, extended the proposal due date.

A pre-proposal conference was held on August 22, 2017. A total of eight participants representing four firms were in attendance.

On September 14, 2017, Metro received eight proposals from four firms as follows, in alphabetical order:

1. American Business Machines
2. Canon Business Solutions Inc. (option 1)
3. Canon Business Solutions Inc. (option 2)
4. Canon Business Solutions Inc. (option 3)
5. Ricoh USA
6. Ricoh USA (cost reduction alternative)
7. Xerox Corporation
8. Xerox Corporation (alternate value)

As stated in the RFP under IP-09 Modifications and Alternative Proposals, firms were allowed to submit alternate proposals if the proposals offered technical improvements that were to the overall benefit of Metro. Three firms submitted alternate proposals as shown in the table below.

**B. Evaluation of Proposals**

The Proposal Evaluation Team (PET), consisting of staff from the Communications and General Services departments, was convened and conducted a comprehensive technical evaluation of the proposals received.

Proposals were evaluated based on the following criteria and weights:

- Degree of the Contractor’s (Firm and Staff) Skills and Experience 30%
- Effectiveness of Management Plan and Understanding of the Work 40%
- Cost Proposal 30%

Site visits were conducted by the PET at proposing firms’ local sites in order to field test the equipment proposed by the firms. Site visits were conducted between October 2, 2017 and October 13, 2017.

Following is a summary of the PET scores:

1	FIRM	Average Score	Factor Weight	Weighted Average Score	Rank
2	<b>Canon Business Solutions Inc. (option 1)</b>				
3	Degree of the Contractor’s (Firm and Staff) Skills and Experience	91.3	30.00%	27.4	
4	Effectiveness of Management Plan and Understanding of the Work	92.0	40.00%	36.8	

5	Cost Proposal	93.7	30.00%	28.1	
6	<b>Total</b>		<b>100.00%</b>	<b>92.3</b>	<b>1</b>
7	<b>Canon Business Solutions Inc. (option 2)</b>				
8	Degree of the Contractor's (Firm and Staff) Skills and Experience	91.3	30.00%	27.4	
9	Effectiveness of Management Plan and Understanding of the Work	86.0	40.00%	34.4	
10	Cost Proposal	95.4	30.00%	28.6	
11	<b>Total</b>		<b>100.00%</b>	<b>90.4</b>	<b>2</b>
12	<b>Xerox Corporation (alternate value)</b>				
13	Degree of the Contractor's (Firm and Staff) Skills and Experience	87.0	30.00%	26.1	
14	Effectiveness of Management Plan and Understanding of the Work	82.25	40.00%	32.9	
15	Cost Proposal	100.0	30.00%	30.0	
16	<b>Total</b>		<b>100.00%</b>	<b>89.0</b>	<b>3</b>
17	<b>Canon Business Solutions Inc. (option 3)</b>				
18	Degree of the Contractor's (Firm and Staff) Skills and Experience	91.3	30.00%	27.4	
19	Effectiveness of Management Plan and Understanding of the Work	79.8	40.00%	31.9	
20	Cost Proposal	97.9	30.00%	29.4	
21	<b>Total</b>		<b>100.00%</b>	<b>88.7</b>	<b>4</b>
22	<b>Xerox Corporation</b>				
23	Degree of the Contractor's (Firm and Staff) Skills and Experience	87.0	30.00%	26.1	

24	Effectiveness of Management Plan and Understanding of the Work	84.5	40.00%	33.8	
25	Cost Proposal	95.2	30.00%	28.6-5	
26	<b>Total</b>		<b>100.00%</b>	<b>88.5</b>	<b>5</b>
27	<b>Ricoh USA (cost reduction alternative)</b>				
28	Degree of the Contractor's (Firm and Staff) Skills and Experience	79.7	30.00%	23.9	
29	Effectiveness of Management Plan and Understanding of the Work	73.3	40.00%	29.3	
30	Cost Proposal	83.3	30.00%	25.0	
31	<b>Total</b>		<b>100.00%</b>	<b>78.2</b>	<b>6</b>
32	<b>American Business Machines</b>				
33	Degree of the Contractor's (Firm and Staff) Skills and Experience	76.3	30.00%	22.9	
34	Effectiveness of Management Plan and Understanding of the Work	70.8	40.00%	28.3	
35	Cost Proposal	84.5	30.00%	25.4	
36	<b>Total</b>		<b>100.00%</b>	<b>76.6</b>	<b>7</b>
37	<b>Ricoh USA</b>				
38	Degree of the Contractor's (Firm and Staff) Skills and Experience	79.7	30.00%	23.9	
39	Effectiveness of Management Plan and Understanding of the Work	76.0	40.00%	30.4	
40	Cost Proposal	66.6	30.00%	20.0	
41	<b>Total</b>		<b>100.00%</b>	<b>74.3</b>	<b>8</b>

**C. Cost/Price Analysis**

The recommended price has been determined to be fair and reasonable based upon adequate competition, price analysis, fact finding, and technical evaluation which included a review of equipment specifications as stated in the Statement of Work. The ICE that was developed was based on the “full value” and not the “government pricing” which Canon and other bidders submitted. In addition, the ICE forecasted an increase in click charges but actual bid prices were more favorable. The SOW was also changed as we asked for higher speed equipment than previously requested for to handle our volume of printing. Actual pricing did not increase as expected.

<b>PROPOSER</b>	<b>AMOUNT</b>	<b>METRO ICE</b>	<b>AWARD AMOUNT</b>
Canon Business Solutions Inc. (option 1)	\$1,977,549.00	\$3,790,000.00	\$1,977,549.00
Xerox Corporation (alternate value)	\$1,853,080.00		
Canon Business Solutions Inc. (option 3)	\$1,893,688.20		
Canon Business Solutions Inc. (option 2)	\$1,942,083.00		
Xerox Corporation	\$1,947,250.00		
American Business Machines	\$2,193,018.10		
Ricoh (cost reduction alternative)	\$2,225,209.40		
Ricoh USA	\$2,783,018.10		

**D. Background on Recommended Contractor**

Since 1971, Canon Solutions America, Inc. (Canon) has been providing integrated systems technology that comprises one of the strongest solutions portfolios in the industry. Canon is a wholly-owned sales subsidiary of Canon U.S.A., Inc. operating within the United States. Canon Solutions America has been the equipment vendor for the Metro Copy Center for the past five years and they have been working closely with staff in support of the Copy Center, and have performed satisfactorily. Canon was the top ranked firm with the highest overall score based on their proposed equipment and key staff’s skills, experience, and performance throughout the term of the contract.



DEOD SUMMARY

HIGH SPEED/VOLUME COPIERS - METRO COPY CENTER / PS9395700

**A. Small Business Participation**

The Diversity and Economic Opportunity Department (DEOD) did not establish a Small Business Enterprise (SBE) / Disabled Veteran Business Enterprise (DVBE) goal for this solicitation based on lack of subcontracting opportunities. As confirmed by Metro's Project Manager, Canon Solutions America Inc., will be the direct contact and manufacturer of all equipment maintained by factory trained technicians to avoid voiding any type of warranty offered under this Contract. In addition, the printing equipment has proprietary software and parts that manufacturer trained staff install and train internal Metro staff on operation and maintenance.

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

The Living Wage and Service Contract Worker Retention Policy (LW/SCWRP) 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.