



Board Report

File #: 2023-0737, File Type: Contract

Agenda Number: 26.

OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE JANUARY 18, 2024

SUBJECT: PROCUREMENT OF NON-INVENTORY PAPER PRODUCTS

ACTION: AWARD CONTRACT FOR NON-INVENTORY PAPER PRODUCTS

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award a five-year, firm fixed unit rate Contract No. PS106951000 to Fusion Media, the lowest cost responsive, responsible bidder for non-inventory paper products, in the not-to-exceed amount of \$3,500,000 inclusive of sales tax, effective February 1, 2024, subject to the resolution of any properly submitted protest(s).

ISSUE

Metro's in-house Print Shop requires non-standard paper products and standard-size papers regularly purchased and maintained in inventory by the Procurement and Material Management Department. Non-standard paper products are required to produce customer information collateral, such as bus and train timetables, maps and transit information, program brochures, posters, temporary signs and wayfinding, reports, and other public and internal communications materials. The Print Shop also produces many internal and external forms for the Metro stationery department.

BACKGROUND

The Print Shop was established in 1977 to produce customer information and internal and external communications materials. It is equipped with digital and offset printing machinery that produces a variety of agency materials. The Metro print shop completes an average of 1,025 printing jobs and produces over 9.8 million printed pieces annually - saving the agency an average of \$350,000 per year on printing services and needs. Non-inventory paper products include rolls of paper for bus/rail schedules and many different types of non-traditional paper stocks that are used for printing Metro's marketing materials, such as flyers, brochures, bus car cards, carbonless papers for various forms used throughout Metro and its various locations and divisions, plus a variety of other materials.

DISCUSSION

In fiscal year 2023, Metro's print shop produced over 3.5 million brochures, direct mailers, and applications for programs, including the LIFE Program and the GoPass pilot program. Over one million brochures were printed for the TAP Fare Capping campaign alone. The Print Shop also

produced over 65,000 Metro bus and rail cards, plus thousands of promotional items, such as pin card holders, posters, and coupons for Bike Share and MicroTransit. Additional materials produced by Metro's print show include: system maps, rider guides, over 9.5 million timetables, and forms for Metro's Stationery department.

The amount of the non-inventory paper required annually is substantial enough to gain favorable and stable pricing by securing multiyear contracts with suppliers. Through this contract, paper is obtained on an ongoing basis as required, providing Metro immediate access to needed bulk paper without having to warehouse the products. Furthermore, Specific paper stocks and sizes must be available to ensure the quick and nimble production of certain customer communications pieces including:

- Brochures and take-ones: bus and rail timetables, transit system maps and riders guides, construction project Information sheets, FAQs, and service alerts.
- Customer program information and forms: customer service program information and sign-up forms, customer comment forms, public engagement forms, and applications for TAP & LIFE programs.
- Signage and wayfinding materials: temporary wayfinding, directional signage, and service alerts and advisories posted at rail stations and bus stops.

DETERMINATION OF SAFETY IMPACT

Contract award will ensure materials and products are readily available to produce customer information, such as safety messaging, service alerts and advisories, and agency information for the riding public in a timely manner.

FINANCIAL IMPACT

The funding of \$925,000 for the purchase of non-inventory paper products is included in the FY24 Budget in cost center 7140, Marketing, under project 306005 - Public Affairs.

Since this is a multiyear contract, the cost center manager and Deputy Chief, Customer Experience will be accountable for budgeting the cost in future years.

Impact to Budget

The funding sources are bus and/or rail operating eligible sales tax revenues and local grants.

EQUITY PLATFORM

All stakeholders throughout Los Angeles County, including those located in Equity Focus Communities (EFCs), benefit from this contract by enabling Metro to source materials to produce mission critical program information and registration forms in multiple languages for low-income and communities of color. These programs include, but are not limited to, LIFE, GoPass, senior/Medicare/customers with disability passes, and more. The materials Metro distributes are printed in multiple languages and readily available to the general public on the bus and rail system, at

our customer care centers and community events, and mailed directly to homes. The different types of information include meeting notices, construction notices, promotional information regarding Metro events and campaigns, bus and rail schedules, system maps, and many other informational pieces.

This action will continue compliance with Title VI and Title VI Equity Policies by enabling Metro to source materials to produce mandated customer information, transit information, intake forms, and agency policies to meet Title VI and LEP requirements; mandated information, including but not limited to, systemwide service standards and policies, travel information, fare information, customer feedback forms, and customer engagement forms.

The availability of printed materials greatly expands Metro's communications efforts with people who do not have immediate access to electronic communications. Printed materials provide customers, potential customers, and other key stakeholders seeking information about Metro, its programs, and services with access to the same information as those customers and stakeholders using electronic devices to access Metro's website or social media channels without using electronic devices.

Lastly, the recommended Disadvantaged Business Enterprise (DBE) Prime contractor made a 60% DBE commitment.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

This contract award fulfills Metro's strategic imperative and priority to refresh Metro's brand and update its brand strategy and communications approach. The award will ensure materials and products are readily available to produce pertinent rider information, as well as information for Metro's programs and initiatives.

ALTERNATIVES CONSIDERED

The alternative is to implement individual paper procurements on an "as-needed" basis. This is not recommended since it does not provide a commitment from a supplier to ensure the availability and timely delivery of the products needed. Further, Metro would not benefit from a multiyear contract's discounts and price stability; historically, pricing in the wholesale paper market has been volatile.

NEXT STEPS

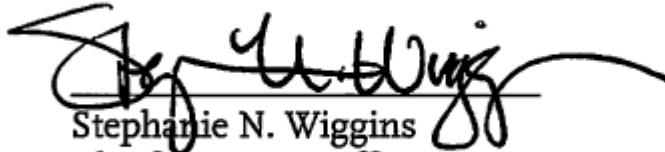
Upon Board approval, staff will execute Contract No. PS106951000 with Fusion Media for non-inventory paper products, effective February 1, 2024.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - DEOD Summary

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Stephanie N. Wiggins
Chief Executive Officer

PROCUREMENT SUMMARY

NON-INVENTORY PAPER PRODUCTS / PS106951000

1.	Contract Numbers: PS106951000	
2.	Recommended Vendors: Fusion Media	
3.	Type of Procurement : (check one) : <input type="checkbox"/> RFP <input checked="" type="checkbox"/> IFB <input type="checkbox"/> IFB-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: July 25, 2023	
	B. Advertised/Publicized: July 25, 2023	
	C. Pre-Bid Conference: August 8, 2023	
	D. Bids Due: August 25, 2023	
	E. Pre-Qualification Completed: November 25, 2023	
	F. Ethics Declaration Forms submitted to Ethics: September 13, 2023	
	G. Protest Period End Date: January 23, 2024	
5.	Solicitations Picked up/Downloaded: 11	Bids Received: 2
6.	Contract Administrator: Antwaun Boykin	Telephone Number: (213) 922 -1056
7.	Project Manager: Robert Hartert	Telephone Number: (213) 922 – 5646

A. Procurement Background

This Board Action is to approve the award of Contract No. PS106951000 issued in support of Metro's in-house Print Shop for non-inventory paper products. Non-inventory paper products are required to produce customer information collateral, such as bus and train timetables, maps and transit information, program brochures, posters, temporary signs and wayfinding, reports, and other public communications materials. The Print Shop also produces many forms for the Metro stationery department. Board approval of contract awards is subject to resolution of any properly submitted protest(s).

On July 25, 2023, Invitation for Bids (IFB) No. PS106951 was issued in accordance with Metro's Acquisition Policy and the contract type is firm fixed unit rate. The IFB was issued with a Disadvantaged Business Enterprise (DBE) goal of 12%.

There were no amendments issued during the solicitation phase of this IFB.

A virtual pre-bid conference was held on August 8, 2023, and was attended by 5 participants representing 4 firms.

A total of 11 firms downloaded the IFB and were included in the planholders list. There was 1 question asked and responded to prior to the bid due date.

Two (2) bids were received by the due date of August 25, 2023, from the following firms listed below in alphabetical order:

1. Fusion Media
2. Kelly Spicers

B. Evaluation of Bids

The procurement was conducted in accordance with and complies with Metro’s Acquisition Policy for a competitive sealed bid.

The apparent lowest bid was submitted by Kelly Spicer and its bid was further evaluated to determine responsiveness to the solicitation requirements. Kelly Spicer was determined to be non-responsive to the solicitation’s Disadvantaged Business Enterprise requirements. The recommended firm, Fusion Media, was the second lowest bidder, and its bid was further evaluated and determined to be responsive to the solicitation requirements.

C. Price Analysis

The recommended amount and the independent cost estimate (ICE) are based on historical usage, planned usage and unforeseen future needs for paper products. The bid amount was determined fair and reasonable based on the ICE, price analysis, technical analysis, and historical rates. The bidder provided fully burdened rates for the non-inventory paper products, which Metro’s staff validated and determined fair and reasonable.

	Bidder Name	Bid Amount	Metro ICE	Recommended Amount
1	Fusion Media	\$848,448.74	\$3,500,000	\$3,500,000

The variance between the Bid Amount and the Recommended Amount is attributed to the solicitation bid documents, including a market basket of paper products that were used for bidding purposes only to determine the lowest bidder. The bid amount established individual pricing for various paper products. The recommended amount is based on forecasted usage during the contract term.

D. Background on Recommended Contractor

The recommended firm, Fusion Media, is a wholesale paper merchant that is based in Los Angeles that specializes in paper, printing services and supplies, and supply chain management. Fusion Media provides services for several industries including healthcare, public utilities, and transportation among others.

DEOD SUMMARY

NON-INVENTORY PAPER SUPPLIES / PS106951000

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) established a 12% Disadvantaged Business Enterprise (DBE) goal for this solicitation. Fusion Media, a DBE Prime, made a 60% DBE commitment as a regular dealer and is performing 100% of the work with its own workforce.

Small Business Goal	12% DBE	Small Business Commitment	60% DBE
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	DBE Subcontractors	Ethnicity	% Committed
1.	Fusion Media (DBE Prime)	Hispanic American	60%
Total Commitment			60%

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.

D. 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.