

## PROCUREMENT SUMMARY

## POWER SWEEPING SERVICES / OP1066318370000

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

	<b>Bidder Name</b>	<b>Bid Amount</b>	<b>Metro ICE</b>	<b>Recommended Amount</b>
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.