

**Board Report**

File #: 2016-0968, **File Type:** Contract**Agenda Number:** 34

**SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE
JANUARY 19, 2017****SUBJECT: NON-INVENTORY PAPER SUPPLIES****ACTION: AWARD CONTRACTS****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to award four-year contracts to the following four lowest, responsive and responsible bidders for **non-inventory paper supplies** for an indefinite delivery, indefinite quantity for a total amount not-to-exceed \$3,000,000, inclusive of sales tax, effective February 2, 2017, subject to resolution of protest(s), if any.

- A. Contract No. PS2039471406-2000/001 with Bashboy Enterprises dba California Printing Consultants for a total contract amount not to exceed \$600,000,
- B. Contract No. PS2039471406-2000/002 with Gorilla Stationers for a total contract amount not to exceed \$150,000,
- C. Contract No. PS2039471406-2000/003 with Spicer's Paper, Inc. for a total contract amount not to exceed \$2,100,000; and
- D. Contract No. PS2039471406-2000/004 with Veritiv Operating Company for a total contract amount not to exceed \$150,000.

ISSUE**RATIONALE**

Metro's in-house printing department requires non-standard paper supplies in addition to the standard-size papers that are regularly purchased and maintained in inventory by the Supply Chain Management Department. Print jobs for which an appropriate paper stock must be obtained include, but are not limited to:

- Timetables for buses and trains
- LACMTA business forms and letterhead
- Brochures, posters, and other public communications materials

The amount of the non-inventory paper required is substantial enough to gain favorable pricing by entering into multi-year contracts with suppliers. Paper is obtained on an on-going basis as required. These Contracts also permit Metro immediate access to required papers without having to warehouse the supplies.

FINANCIAL IMPACT

Funding for these materials in the amount of \$880,000 is included in the FY17 budget in Cost Center 7140, Customer Communications, Line 50442, Printing Equipment and Supplies, under Project Number 306005 Public Affairs.

Since these are multi-year contracts, the cost center manager and Chief Communications Officer will be responsible for budgeting required funds in future years.

Impact to Budget

There is no impact to the current, FY17 budget, as the funding already exists within it. The funding sources include Sales Taxes, TDA, STA, and other Bus and Rail operating revenues.

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 the discounts and price stability of a multi-year contract; historically, pricing in the wholesale paper market has been volatile.

NEXT STEPS

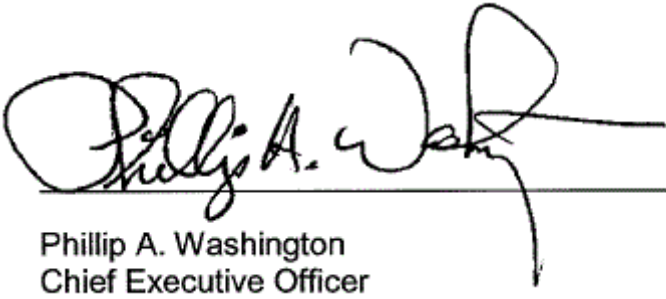
Upon approval by the Board, staff will execute Contract Nos. PS2039471406-2000/001-004 with Spicer’s Paper, Inc., Gorilla Stationers, Bashboy Enterprises dba California Printing Consultants, and Veritiv Operating Company to provide non-inventory paper supplies effective February 2, 2017.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - DEOD Summary

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