



## Board Report

File #: 2023-0737, File Type: Contract

Agenda Number: 26.

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### 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

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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**

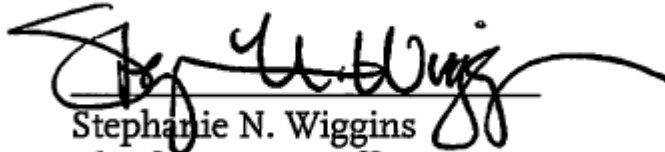
Upon Board approval, staff will execute Contract No. PS106951000 with Fusion Media for non-inventory paper products, effective February 1, 2024.

### **ATTACHMENTS**

Attachment A - Procurement Summary  
Attachment B - DEOD Summary

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