



Board Report

File #: 2016-0975, File Type: Contract

Agenda Number: 40

**SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE
JANUARY 19, 2017**

SUBJECT: UNIFORM RENTAL SERVICES

ACTION: APPROVE CONTRACT AWARD

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

- A. AWARD a firm fixed unit rate Contract No. OP671430003367 for **uniform rental services with Prudential Overall Supply**, for a not-to-exceed amount of \$3,372,104 for the three-year base period and \$3,372,104 for the one, three year option, for a combined total of \$6,744,208 effective February 1, 2017 through January 31, 2023; and
- B. EXECUTE Modification No. 11 for the existing uniform rental services Contract No. OP30002227 with Prudential Overall Supply to extend the period of performance by four (4) months, through July 31, 2017 and request additional authority in the amount of \$260,000, increasing the contract value from \$5,165,029 to \$5,425,029

ISSUE

Per the current ATU and TCU Collective Bargaining units' agreements, Metro is required to provide each of the units' employees up to 11 uniforms per employee, as well as provide laundry services for such regulation uniforms. Currently, uniform rental services are provided to over 2,300 Metro represented labor employees.

The existing uniform rental services Contract No. OP30002227 with Prudential Overall Supply will expire on March 31, 2017. Fitting employees, ordering uniform inventory and delivering new uniforms to 24 locations require five months to coordinate and implement a smooth transition between the existing and the new contract.

To avoid uniform rental services interruption, a contract modification is required to extend the existing contract period of performance and request additional authority to allow time for contract closeout. With a new contract award effective February 1, 2017, the period of performance for the existing contract must be extended through July 31, 2017 and additional expenditure authority approved in the amount of \$260,000.

DISCUSSION

In response to the concerns brought forward by the ATU President during the December 1, 2016 Metro Board of Directors meeting, staff was directed to meet with the ATU President and address uniform rental service related concerns.

On December 5, 2016, staff met with the ATU President, and fully briefed him on the new performance requirements made under the new contract. The contract improvements such as liquidated damages were added due to the feedback we originally received from the ATU leadership. Staff also emphasized the importance of submitting all uniform issues to the FM Help Desk for effective tracking and timely resolution.

Staff will continue to work closely with the ATU Executive Board members and employees to provide better customer service. Staff has committed to post signage throughout Metro facilities to improve employee awareness of the scheduled uniform pick-up dates, highlight improved uniform request procedures and forms, monitor the contractor's performance and service delivery, consider expanding loaner uniform inventory throughout Metro facilities, and maintain effective communications among all parties involved to ensure quality and timely service delivery.

Under the existing contract, uniform rental services are provided to over 2,300 Metro represented labor employees, as well as providing vehicle seat covers and laundry services for hand towels and floor mats.

Timely uniform rental, delivery, and laundry services are necessary to ensure compliance with the existing agreements between Metro and the collective bargaining units, meeting garment safety requirements for Metro represented labor employees working within safety sensitive positions, and clearly identify Metro represented labor employees with their different trades.

The existing contract is due to expire March 31, 2017. A contract modification is required to extend the period of performance through July 31, 2017 and additional expenditure authority is required. A new contract award is required effective February 1, 2017 to avoid service interruptions, continue providing the necessary uniform rental program and services, and allow sufficient time to perform all necessary administrative processes associated with contract closeout, and fitting and ordering new sets of uniforms for over 2,300 Metro represented labor employees.

Metro's independent cost estimate was based on historical data, current contract pricing and simple market escalation. The independent cost estimate did not include any potential escalation associated with living wage requirements and participation goals due to lack of historical data and the unknown participation commitment level of any proposer.

DETERMINATION OF SAFETY IMPACT

The approval of this item will ensure the supply of uniforms that clearly identify Metro represented labor employees and continue delivering safe, quality, on-time and reliable services system-wide.

FINANCIAL IMPACT

Funding of \$1,036,100 for this contract is included in the FY17 budget in multiple maintenance cost centers, account - 50215 (F/B Uniforms), projects 306002 (Bus Operations), 300022 (Blue Line Operations), 300033 (Green Line Operations), 300044 (Red Line Operations), 300055 (Gold Line Operations), 301012 (Orange Line Operations), and 300066 (Expo Line).

Since this is a multi-year contract, the cost center manager, and the Sr. Executive Officer, Maintenance and Engineering will be accountable for budgeting the cost in future fiscal years, including any option(s) exercised.

Impact to Budget

The source of funds for this procurement will come from the enterprise operating fund. Specific funding sources are Federal, State, and Local funding including sales tax and fares that are eligible for Bus and Rail Operating projects. These funding sources will maximize the use of funds for these activities.

ALTERNATIVES CONSIDERED

Staff considered purchasing uniforms, hand towels, mats, and vehicle seat covers, along with providing in-house laundry services. This would require the hiring and training of additional personnel, purchase of additional equipment, vehicles, and supplies to support the expanded responsibility. Staff's assessment indicates this is not a cost-effective option for Metro.

NEXT STEPS


Upon approval by the Board, staff will execute Contract No. OP671430003367 to Prudential Overall Supply effective February 1, 2017, to provide uniform rental services to Metro represented labor employees, as well as provide vehicle seat covers and laundry services for hand towels and floor mats. Staff will also execute Modification No. 11 for the existing uniform rental services Contract No. OP30002227 with Prudential Overall Supply to allow time for contract closeout and a smooth transition to the new contract.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment A1 - Contract Modification/Change Order Log
Attachment B - DEOD Summary.

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