



Board Report

File #: 2016-0395, File Type: Contract

Agenda Number: 33.

SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE JUNE 16, 2016

SUBJECT: UNIFORM RENTAL SERVICES

ACTION: APPROVE CONTRACT MODIFICATION

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to execute Modification No. 9 to Contract No. OP30002227 for **Uniform Rental Services with Prudential Overall Supply** for the not-to-exceed amount of \$650,000, increasing the total contract not-to-exceed value from \$4,515,029.28 to \$5,165,029.28. This modification also extends the period of performance by nine (9) months, from July 1, 2016, through March 31, 2017.

This contract provides on-going uniform rental services, vehicle seat covers, and laundry services for hand towels and floor mats.

ISSUE

Per the current ATU and TCU Collective Bargaining units' agreements, Metro is required to provide over 2,300 Metro represented employees with up to 11 uniforms per employee, as well as provide laundry services for the uniforms.

To avoid service interruption, continue providing the necessary uniform rental program and services, and allow sufficient time to perform all necessary administrative processes associated with contract closeout and changeover, a contract modification is required to extend the period of performance by nine (9) months, from July 1st, 2016 through March 31, 2017 and increase contract expenditure authority while the new procurement actions are completed. Staff anticipates returning to the Metro Board of Directors with a recommendation for award to the new solicitation during the month of November, 2016.

DISCUSSION

Currently under this 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.

The existing uniform rental services Contract No. OP30002227 with Prudential Overall Supply (POS)

will expire on June 30, 2016. At the January 2016 Board meeting, the Board approved and awarded Item #40 for a new contract award with POS to provide uniform rental services for a not-to-exceed amount of \$3,108,087 for a three-year term. As part of their bid, POS made a 0% Small Business Enterprise (SBE) commitment. Although the solicitation originally included two, one year option terms, the contract recommendation only included the base three-year award to demonstrate Metro's commitment to the Small Business Program.

Subsequent to award, POS expressed financial concerns related to their bid considering the elimination of the option years, and requested additional compensation beyond their submitted bid. Staff informed POS that by submitting a bid in response to the IFB, they had agreed to the terms and conditions of the contract including Metro's right not to exercise the option years, which was part of the IFB. POS then informed Metro that they would not be able to execute the contract.

Therefore, Staff is re-procuring for this service while reaching out to uniform suppliers soliciting their feedback to address any questions regarding the previous procurement requirements and updating the solicitation package in an effort to allow an opportunity for small business involvement, increase competition and attract more firms and small businesses to work with Metro.

Staff has been actively working with the current contractor as well as Metro represented employees to ensure timely and improved service delivery. Necessary adjustments have been made through developing new procedures and improving communications among parties involved to address the employees' feedback received;

- Improve the process to obtain new uniforms for Metro newly hired employees and employees new to a classification.
- Ensure the availability of uniforms designed for females.
- Ensure employees transferred from one location to another continue to receive the required uniforms.
- Ensure timely service of uniforms in need of repair or replacement uniforms in lieu of worn-out sets.

Staff distributed the updated procedures for each of the inquiries listed above to all the Division Managers and Assistant Managers. These procedures are to be followed by the employees and their supervisors. Staff continues to proactively work with the contractor and Metro represented employees to further improve service delivery and reliability.

To avoid uniform rental service interruption, a contract modification is required to extend the period of performance and increase contract expenditure authority while the new procurement process is completed.

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 \$650,000 for this contract is included in the FY17 proposed 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).

Impact to Budget

The current year funding for this action will come from the Enterprise operating fund. The source of funds for this procurement will come from Federal, State and local funding sources that are eligible for Bus and Rail Operating or Capital Projects. These funding sources will maximize the use of funds for these activities. This activity is part of Metro's on-going maintenance costs.

ALTERNATIVES CONSIDERED

Staff considered executing a short term contract with a different vendor, in the interim, until the new solicitation processes are completed. This will require several months to close-out the existing contract, setup the short term contract and allow approximately 90 days for the ordering of new uniforms. Staff's assessment indicates this is time consuming and not a cost-effective option for Metro.

Staff further 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

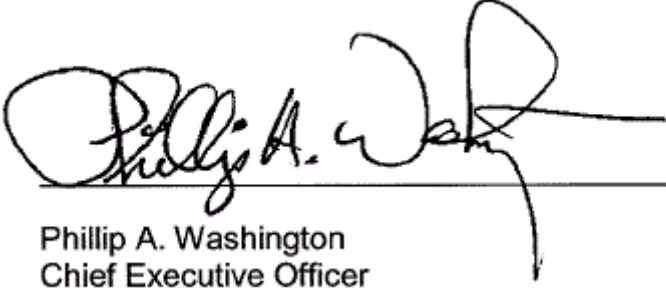
Upon Board approval, staff will execute Modification No. 9 with Prudential Overall Supply under the current Contract No. OP30002227 to continue providing uniform rental and laundry program services until the replacement contract begins.

ATTACHMENTS

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

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