

**Metro**Los Angeles County  
Metropolitan Transportation AuthorityOne Gateway Plaza  
Los Angeles, CA 90012-2952213.922.2000 Tel  
metro.net**SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE  
JANUARY 15, 2015****SUBJECT: PAPER PRODUCTS****ACTION: AWARD CONTRACT FOR PAPER PRODUCTS****RECOMMENDATION**

Authorize the Chief Executive Officer to award a two-year, firm fixed price contract under Bid Number 15-0003 to Extreme Safety, the single responsive and responsible bidder for item 4, Cellulose Paper Towels. The contract one-year base amount is \$571,494 inclusive of sales tax, and the one-year option amount is \$571,494 inclusive of sales tax for a total contract amount of \$1,142,988.

**ISSUE**

Cellulose paper towels are required by Metro staff in the day-to-day operations to clean and maintain facilities, equipment and rolling stock.

**DISCUSSION**

Metro purchases a variety of towels based on the functional requirements of the various user groups. The cellulose paper product is used primarily by mechanics, service attendants and custodians at the CMF, Bus and Rail Divisions and stations because of the product's absorbency qualities and cloth like characteristics needed to clean surfaces and to wipe up oil and grease.

The contract to be awarded is a "requirements type" agreement in which we commit to order only from the awardee, up to the specified quantity for a specific duration of time, but there is no obligation or commitment for us to order any or all of the cellulose paper towels that may be anticipated. The bid quantities are estimates only, with deliveries to be ordered and released as required.

Paper products will be purchased, maintained in inventory and managed by Material Management. As the paper products are issued, the appropriate budget project numbers and accounts will be charged.

## **DETERMINATION OF SAFETY IMPACT**

Award of contract will ensure that all operating divisions have adequate inventory to maintain the bus and rail fleets and equipment according to Metro Maintenance standards.

## **FINANCIAL IMPACT**

The funding of \$218,460 for these products is included in the FY15 budget under multiple bus and rail operating cost centers and various operating and capital projects under Line 50499 M/S Others.

Since this is a multi-year contract, the cost center manager and Chief Operations Officer will be accountable for budgeting the cost in future fiscal years including any option exercised.

### **Impact to Budget**

The source of funds for this project is Enterprise Funds such as fares, federal grants, sales taxes and State funds. No other source of funds was considered because these funds are specifically designated for this purpose.

## **ALTERNATIVES CONSIDERED**

The alternative is to not award the contract and continue to procure cellulose paper towels on as-needed basis. This is not recommended since it does not provide a commitment from the supplier to ensure availability and price stability.

## **NEXT STEPS**

Metro's requirements for cellulose paper towels will be fulfilled under the provisions of the contract.

## **ATTACHMENTS**

- A. Procurement Summary
- B. Bid Tabulation

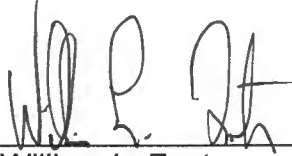
Prepared By: John Roberts, Deputy Executive Officer, Operations

Questions: Christopher Reyes, Senior Administrative Analyst, Operations  
(213) 922-4808



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Stephanie Wiggins  
Executive Director - Vendor/Contract  
Management



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William L. Foster  
Interim Chief Operations Officer



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Arthur T. Leahy  
Chief Executive Officer

**PROCUREMENT SUMMARY  
PAPER PRODUCTS**

1.	Contract Number: 15-0003	
2.	<u>Recommended Vendor:</u> <ul style="list-style-type: none"> <li>• <u>Extreme Safety, 20850 Leapwood Avenue, Unit B, Carson, CA 90746</u></li> </ul>	
3.	Type of Procurement (check one) : <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.	Procurement Dates:	
	A. Issued: 9/8/14	
	B. Advertised/Publicized: 8/29/14	
	C. Pre-proposal/Pre-Bid Conference: N/A	
	D. Proposals/Bids Due: 10/22/14	
	E. Pre-Qualification Completed: N/A	
	F. Conflict of Interest Form Submitted to Ethics: Yes	
	G. Protest Period End Date: 2/5/15	
5.	Solicitations Picked up/Downloaded: 51	Bids/Proposals Received: 2
6.	Contract Administrator: Tanya Allen	Telephone Number: (213) 922-1018
7.	Project Manager: John Roberts	Telephone Number: (213) 922-5060

**A. Procurement Background**

This Board Action is to approve a contract under IFB 15-0003 for the procurement of paper products to support maintenance operations agency wide. Procurement of paper products was conducted as a Set-Aside, formal sealed bid, competitive acquisition in support of awarding a long-term Master Agreement to a Small Business Enterprise (SBE). The DEOD Small Business Directory was searched under the appropriate North American Industry Classification System (NAICS) codes and three SBEs were identified as potential suppliers for paper products.

IFB 15-0003 was issued September 8, 2014 to the three certified SBEs identified as potential sources to provide paper products. The IFB was advertised September 11, 2014. Contract type is Firm-Fixed Price.

Amendment One was issued on October 16, 2014 to answer potential bidder's questions.

**B. Evaluation of Bids**

The two vendors that submitted, AmmmMm Inc. and Extreme Safety were determined to be in full compliance with the bid and technical requirements. Line items #1 (“C” Fold towel), #2 (roll towel) and #3 (windshield towel) will be awarded to the lowest responsive, responsible bidder, AmmmMm, Inc., under the CEO’s delegated authority up to \$1 million for competitive procurements. AmmmMm Inc. did not submit a bid for Line #4.

Extreme Safety is recommended for award on Line 4 (cellulose towel) which exceeds \$1 million for a two-year period; therefore, needs Board approval. The other SBEs that were identified as potential suppliers are not authorized dealers for the approved cellulose towels, and they did not submit a request for approved equals.

For pricing information on the two companies that submitted a bid, reference the Bid Tabulation, attached.

	<b>Bidder’s Name</b>
1.	AmmmMm, Inc. (Line 1 – 3)
2.	Extreme Safety (Line 4)

**C. Price Analysis**

The bid price of \$1,142,987 submitted by Extreme Safety is 9% higher than the price currently being paid by Metro. The total increase for a two year period is calculated at \$92,227 for line 4.

<b>Bidder/Proposer Name</b>	<b>Proposal Amount</b>	<b>Metro ICE</b>	<b>NTE Amount</b>
Extreme Safety	\$1,142,988	\$1,043,280	\$1,142,988

**D. Background on Recommended Contractor**

The responsive and responsible low bidder, Extreme Safety is located in Carson, CA and has been in business for 22 years. Extreme Safety has provided safety and various related products to other agencies including LADWP, LA County Coroner, LA County Public Works, LA County Sanitation, and BP West Coast Products. In the past, Extreme Safety has provided satisfactory products and services to Metro.

Gale Supply Company is the current contractor on Line #4 and the total amount paid to date is \$963,991. Gale Supply Company is not a SBE.

**E. Small Business Participation**

Effective June 2, 2014, per Metro’s Board-approved policy, competitive acquisitions with three or more Small Business Enterprise (SBE) certified firms within the specified North American Industry Classification System (NAICS) as identified for the project scope shall constitute a Small Business Set-Aside procurement. Accordingly, the Contract Administrator advanced the solicitation, including posting the solicitation on Metro’s website, advertising, and notifying certified small businesses as identified by NAICS code(s) that this solicitation was open to **SBE Certified Small Businesses Only.**

Extreme Safety, the low bidder, is an SBE Prime Supplier that is performing 100% of the work with its own workforce. Pursuant to SBE Program guidelines and Department of Transportation regulations, 60% SBE credit shall be given for the cost of the materials or supplies purchased from an SBE Regular Dealer/Supplier. This credit is awarded in recognition of the value the SBE adds to the transaction and the risks that it takes.

**Small Business Set-Aside**

	<b>SBE Prime Contractor</b>	<b>SBE % Committed</b>
1.	Extreme Safety (Prime)	60%
	Total	60%

**F. Living/Prevailing Wage**

Living/Prevailing wage does not apply to this procurement.

# LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY BID TABULATION

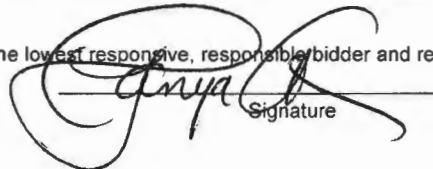
## Bid No: 15-0003 Paper Products

Bids Out: 09/08/14 Total 51  
 Bids Opened: 10/22/14 Total 2  
 Advertisement Date(s): 09/11/14  
 Newspaper: L.A. Daily News

Item No.	MTA Part No.	Description	Est. Qty	Unit	AmmmmMm Inc.		Extreme Safety	
					Unit Price	Total Price	Unit Price	Total Price
<b>PRICING - 12 MONTH</b>								
1	147079	Towel – Paper, "C" Fold 13.3" x 10.4" 1 Ply Ultra High Absorbency, 01500 Scott	1404	CS	\$15.65	\$21,972.60	\$23.78	\$33,387.12
2	146687	Towel – Paper Roll 8" 6 per case 800 feet per roll	1904	RL	\$2.94	\$5,597.76	\$3.93	\$7,482.72
3	146690	Towel – Paper Blue Windshield #540 12 Pkg/Per Case	2580	CS	\$19.25	\$49,665.00	\$32.67	\$84,288.60
4	146602	Towel – Paper L40 9.8" x 16.4" Pop- Up Bonded Cellulose Wiper	11,592	CS	no bid	\$0.00	\$45.23	\$524,306.16
12 Month Subtotal						<b>\$77,235.36</b>		<b>\$649,464.60</b>
<b>OPTION 1</b>								
1	147079	Towel – Paper, "C" Fold 13.3" x 10.4" 1 Ply Ultra High Absorbency, 01500 Scott	1404	CS	\$15.65	\$21,972.60	\$23.78	\$33,387.12
2	146687	Towel – Paper Roll 8" 6 per case 800 feet per roll	1904	RL	\$2.94	\$5,597.76	\$3.93	\$7,482.72
3	146690	Towel – Paper Blue Windshield #540 12 Pkg/Per Case	2580	CS	\$19.25	\$49,665.00	\$32.67	\$84,288.60
4	146602	Towel – Paper L40 9.8" x 16.4" Pop- Up Bonded Cellulose Wiper	11,592	CS	no bid	\$0.00	\$45.23	\$524,306.16
Option 1 Subtotal						<b>\$77,235.36</b>		<b>\$649,464.60</b>
Subtotal 12 Month Plus Options						<b>\$154,470.72</b>		<b>\$1,298,929.20</b>
Sales Tax (9%)						<b>\$13,902.36</b>		<b>\$116,903.63</b>
<b>Grand Total</b>						<b>\$168,373.08</b>		<b>\$1,415,832.83</b>

I hereby certify Extreme Safety as being the lowest responsive, responsible bidder and recommend the award to them for total price, excluding sales tax, of \$1,142,988.

12-9-14  
Date

  
Signature

ATTACHMENT B