



**Metro**

**EXECUTIVE MANAGEMENT AND AUDIT COMMITTEE  
FEBRUARY 17, 2005**

**SUBJECT: IFB #PSO543401617, POSTING/MAINTENANCE OF  
WAYFINDING/PROMOTIONAL SIGNAGE  
J. PEREZ ASSOCIATES, INC.**

**ACTION: AWARD FIVE-YEAR CONTRACT**

**RECOMMENDATION**

Authorize the Chief Executive Officer to award a five-year firm fixed-price contract, Contract No. PS0543401617 to J. Perez Associates, Inc. to provide posting, inspection and maintenance of wayfinding and promotional signage in the agency's railcars, rail stations and bus stations in an amount not to exceed \$750,000 inclusive of four one-year options effective April 1, 2005.

**RATIONALE**

The recommended firm will provide posting, inspection and maintenance of promotional and wayfinding signage on the rail and bus system, including 225 railcars, 62 rail stations and several bus stations/major transfer locations. This contract does not include posting of interior/exterior bus advertising/promotional materials on Metro Buses, which is contracted separately. The work required in this contract includes servicing approximately 2,700 framed displays aboard railcars, several hundred decals aboard railcars, approximately 600 framed displays at rail stations, and more than 100 framed displays at busway/transitway stations and transfer centers. The planned duration of the displays and decals ranges from three months to a year. In addition, due to vandalism and general wear and tear, constant inspection/replacement is required to replace missing and damaged displays.

The various displays to be installed by the contractor include basic wayfinding, such as posters of the overall rail system maps, schematic decals in railcars indicating stops on the particular line, security decals in the railcars and promotional displays with such topics as day pass, employer pass, as well as popular destinations available by public transit. All displays are designed to support an enhanced travel experience for Metro customers, easing transfers between modes and explaining travel and destination options.

**BACKGROUND**

When the rail system was just starting out a few years ago, and when staffing levels were higher in the marketing area, staff handled the postings. With the growth in the system and reductions in manpower, analyses, based on cost and efficiency, determined the agency would benefit by contracting with an outside firm with sufficient staffing, warehouse and vehicle resources. A one-year contract was entered

into as a pilot program, to allow the agency to evaluate the services furnished and determine a path forward.

Through competitive bidding, the pilot program one-year contract was awarded to J. Perez Associates, Inc. to provide the subject signage services. While new to this particular aspect of Metro operations, the Perez firm has long been involved with similar work on Metro Buses, where it has subcontracted to handle posting requirements with the firm that supports the agency's interior/exterior bus advertising contract. Perez also has contracts with numerous other public transit agencies with rail operations where it performs similar work.

Based on the evaluation of the one-year pilot program, it was determined to recommend entering into a long-term contract to provide the subject services, yet retain the flexibility to terminate the arrangement in a relatively short period if performance fell.

#### **FINANCIAL IMPACT**

The funding of \$37,500 for this service is included in the FY05 budget in Cost Center 7145, Customer Signage. Since this is a multi-year contract, the cost center manager and Chief Communications Officer will be accountable for budgeting the cost in future years, including any option exercised. In FY05, \$150,000 is being expended on this service.

#### **ALTERNATIVES CONSIDERED**

Bringing the services in-house was considered. Experience has shown it takes a minimum of two full-time personnel in the field and supervisor time, plus two dedicated vehicles and warehouse/assembly areas to accomplish the work. Further, the nature of the content of some of the displays (e.g., fare structure changes), would require time-sensitive postings involving considerable overtime if staff were to perform the work.

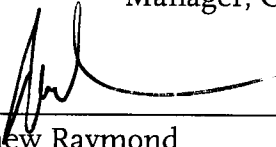
Based on current costs, adding staff and vehicles to agency expenses would mean an increase of approximately 60 percent over the \$150,000 per year called for in the contract, with inflation and built-in Metro contractual arrangements increasing this amount each year. The contractor, on the other hand, has bid a flat \$150,000 per year and is thus not in a position of passing on overtime costs or salary increases to the agency.

It should also be noted other transit properties comparable in size to Metro, including WMATA in Washington, DC, MARTA in Atlanta, DART in Dallas and RTA in Cleveland have undertaken similar analyses regarding doing the posting themselves vs. contracting out and have opted to contract out.

**ATTACHMENT**

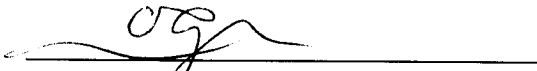
1. Procurement Summary

Prepared by: Mike Barnes  
Manager, Customer Signage



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Matthew Raymond  
Chief Communications Officer



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Roger Snoble  
Chief Executive Officer

**BOARD REPORT ATTACHMENT A  
PROCUREMENT SUMMARY**

**IFB No. PS0543401617 FOR POSTING /MAINTENANCE OF  
WAYFINDING/PROMOTIONAL SIGNAGE**

1.	Contract Number: PS0543401617		
2.	Recommended Vendor: J. Perez Associates, Inc.		
3.	Cost/Price Analysis Information:		
	A. Bid Price: \$ 750,000	Recommended Price: \$ 750,000	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: IFB		
5.	Procurement Dates:		
	A. Issued: November 2, 2004		
	B. Advertised: November 4, 2004		
	C. Pre-proposal Conference: November 9, 2004		
	D. Proposals Due: November 23, 2004		
	E. Pre-Qualification Completed: December 8, 2004		
	F. Conflict of Interest Form Submitted to Ethics: January 5, 2005		
6.	Small Business Participation:		
	A. Bid Goal: 0%	Date Small Business Evaluation Completed: October 12, 2004	
	B. Small Business Commitment: 0% Details are in Attachment A-2		
7.	Invitation for Bid Data:		
	Notifications Sent: 8	Bids Picked up: 0	Bids Received: 5
8.	Evaluation Information:		
	A. Bidders Names: GBA Auto Detailing Corporate Image Maintenance Leo's Vision Graphics J. Perez Associates Shelter Clean	<u>Bid Amount:</u> \$611,646 \$634,704 \$720,000 \$750,000 \$1,274,520	<u>Best and Final Offer</u> N/A
	B. Evaluation Methodology: Details are in Attachment A-1.C		
9.	Protest Information:		
	A. Protest Period End Date: February 22, 2005		
	B. Protest Receipt Date: TBD		
	C. Disposition of Protest Date: TBD		
10.	Contract Administrator: Bassar Richardson	Telephone Number: 213.922.4596	
11.	Project Manager: Mike Barnes	Telephone Number: 213.922.5603	

## **BOARD REPORT ATTACHMENT A-1 PROCUREMENT HISTORY**

### **IFB No. PS0543401617 FOR POSTING /MAINTENANCE OF WAYFINDING/PROMOTIONAL SIGNAGE**

#### **A. Background on Contractor**

The recommended Contractor, J. Perez Associates, Inc. (JPA) is located at 3760 Kilroy Airport Way, Suite 50, Long Beach, California 90806. JPA was founded in 1991, and has been in business for 13 years. JPA is a certified Minority Business Enterprise (MBE) firm. It is an advertising installation and maintenance company that services outdoor media forms that include transit advertising (bus and rail), mall advertising, and bus shelters.

The majority of JPA's work is from other advertising companies that prefer outsourcing operational functions. JPA is currently working with Viacom Outdoor and Clear Channel to provide advertising installation and maintenance for LACMTA, OCTA, LBT, OMNI, and NCTD. JPA also has direct contracts with SMT (Big Blue Bus) and San Diego's MTDB. Nationally, JPA provides service for MARTA, WMATA, and RTA.

JPA has offices in Los Angeles, San Diego, Cleveland, Detroit, Atlanta, and Miami. The company currently employs 80 people.

#### **B. Procurement Background**

Metro issued an Invitation for Bid (IFB) to find a qualified Contractor to provide Posting/Maintenance of Way-Finding/Promotional Signage services. A contract will be awarded to the lowest responsive and responsible bidder. Five bidders, GBA Auto Detailing, Corporate Image Maintenance, Leo's Vision Graphics, J. Perez Associates and Shelter Clean responded. Among the five bids received, only J. Perez Associates and Shelter Clean were determined technically responsible based on the criteria set forth in the statement of work.

The Diversity & Economic Opportunity Department (DEOD) did not recommend a Minority/Women Business Enterprise (M/WBE) Voluntary Anticipated Level of Participation (VALP) for this procurement. However, the prime contractor J. Perez Associates, Inc. is a certified MBE firm. The VALP program is strictly voluntary.

#### **C. Evaluation of Bids**

The submittal requirements for the bids are as follows:

- Bidder must provide a brief summary of their ability to perform the work requested.
- Bidder to provide a history of background and experience with similar services
- Bidder to submit qualifications of staff assigned to project
- Bidder must have 3 or more years of experience in providing similar posting and maintenance services in scope and complexity

The firms deemed non-responsive, GBA Auto Detailing, Corporate Image Maintenance, and Leo's Vision Graphics, did not meet the Minimum Bidder Qualifications for relative experience for signage posting and maintenance activities as specified in the IFB. Based on the above, J. Perez Associates, Inc. is the recommended Contractor to receive this award.

**D. Cost/Price Analysis Explanation of Variances**

The recommended price has been determined to be fair and reasonable based upon price analysis. Based on open market competition, J. Perez is the lowest responsive and responsible bidder for this procurement. Therefore, based upon competition and historical expenditures, \$150,000 per year over a 5- year period for a total of \$750,000 is fair and reasonable.

**BOARD REPORT ATTACHMENT A-2  
LIST OF SUBCONTRACTORS**

**IFB No. PS0543401617 FOR POSTING /MAINTENANCE OF  
WAYFINDING/PROMOTIONAL SIGNAGE**

PRIME CONTRACTOR – J. Perez and Associates, Inc. (Certified MBE firm)

Small Business Commitment: 100%

Other Subcontractors: None

Total Commitment: 100% Voluntary Anticipated Level of Participation

