



**Metro**

Los Angeles County  
Metropolitan Transportation Authority

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**OPERATIONS COMMITTEE**  
JUNE 20, 2007

**SUBJECT: PAPER FOR PRINTING SERVICES, CONTRACT No. PS 07714061986  
A), (B), (C), and (D)**

**ACTION: APPROVE CONTRACT AWARD FOR PAPER FOR PRINTING SERVICES**

**RECOMMENDATION**

Authorize the Chief Executive Officer to award five-year, unit price, multiple award agreements with A&R Brokers, Kirk Papers, Unisource, and Xpedx for the provision of non-inventory paper supplies in an amount not to exceed \$2,700,000, inclusive of two one-year options, effective July 1, 2007.

**RATIONALE**

Metro Printing Services Department uses a bench of suppliers for paper stock that is not maintained in regular inventory stores due to intermittent use and limited storage capacity.

These paper supplies are necessary to enable the Printing Services Department to carry out its functions. An appropriate paper stock must be obtained for each printing order according to the type of job being produced and the printing press being used. The paper stock is supplied in various weights, coatings, sheet sizes and rolls, and is used to produce the following types of materials:

- Timetables for buses and trains
- Metro business forms and letterheads
- Interior car cards for buses and trains
- Marketing and public information brochures
- Public newsletters (Metro Quarterly, Metro Monthly, etc.)
- Rideshare materials

The contracts to be awarded are indefinite quantity/delivery agreements for a period of three years, based upon the proposed line item pricing submitted by the respective bidders. Each vendor was asked to supply individual bids on 39 different paper items. When a particular item is needed, staff will place an order with the vendor who submitted the lowest bid on that item. Prices are guaranteed for the length of the contract. There is no obligation on the part of Metro to order any or all of the paper commodities that are included in these contract awards. Quantities for these bids were based on an estimate of annual usage with orders to be placed only as required.

## **BACKGROUND**

Metro operates an in-house printing department at its downtown Los Angeles headquarters to support its printing requirements. Standard-sized paper supplies (e.g., 8-1/2" x 11", 11" x 17", etc.) are purchased by Metro's Procurement and Material Management Department as regular inventory items. However, non-standard paper supplies, as detailed in the IFB, are procured outside of this procedure. The volume of non-inventory paper supplies required by the Metro Printing Services Department is so substantial that a multi-year contract is the most efficient means of procuring this commodity. Accordingly, Metro has leveraged its considerable purchasing volume to secure the most competitive pricing structure available for non-inventory paper supplies, based upon estimated quantities of use during the contract term, and has thereby taken advantage of associated economies of scale.

## **FINANCIAL IMPACT**

The funding for these materials was budgeted in FY07 for \$598,500 and programmed into the FY08 budget for \$598,500 in Cost Center 7140, Customer Communications, project numbers 100030 (Administration – Bus Ops), 100040 (Administration – Rail Ops) and 100060 (Administration – General Planning), account 50442, M/S Printing Equipment & Supplies. 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. In FY06, \$574,587 was expended on line item 50442.

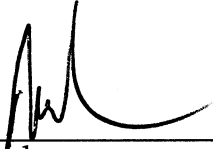
## **ALTERNATIVES CONSIDERED**

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, MTA would not be guaranteed any price stability; historically, there have been frequent increases in the wholesale paper market.

## **ATTACHMENTS**

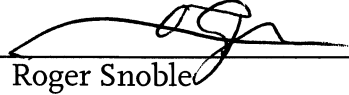
- A. Procurement Summary
- A-1 Procurement History
- A-2 List of Subcontractors

Prepared by: Robert Hartert, Printing Services Supervisor



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Matt Raymond  
Chief Communications Officer



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Roger Snoble  
Chief Executive Officer

**BOARD REPORT ATTACHMENT A  
PROCUREMENT SUMMARY**

**PAPER FOR PRINTING SERVICES**

1.	Contract Number: PS 07714061986		
2.	Recommended Vendor: A&R Brokers, Kirk Paper, Unisource, Xpedx		
3.	Cost/Price Analysis Information: Indefinite Delivery Indefinite Quantity - Unit Price Contract		
	Proposed Price:	Recommended Price:	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: Indefinite Delivery Indefinite Quantity (IDIQ)		
5.	Procurement Dates:		
	A. Issued: February 16, 2007		
	B. Advertised: February 16, 2007		
	C. Pre-Bid Conference: February 26, 2007		
	D. Bids Due: March 07, 2007		
	E. Pre-Qualification Completed: March 27, 2007		
	F. Conflict of Interest Form Submitted to Ethics: March 07, 2007		
6.	Small Business Participation:		
	A. Proposal Goal: DBE Disadvantage Anticipated Level of Participation 5%	Date Small Business Evaluation Completed: January 24, 2007	
	Small Business Commitment: See Attachment A-1		
7.	Request for Bid Data:		
	Notifications Sent: 14	Bids Picked up: 4	Bids Received: 4
8.	Evaluation Information:		
	A. <u>Bidders Names:</u> A&R Brokers Kirk Papers Unisource Xpedx	<u>Bids/Bid Amount:</u> Unit rates. Multiple awards based on low bid for each line item.	<u>Best and Final Offer Amount:</u> N/A
	B. Evaluation Methodology: Lowest priced, responsive and responsible bidder.		
9.	Protest Information:		
	A. Protest Period End Date: May 22, 2007		
	B. Protest Receipt Date:		
	C. Disposition of Protest Date:		
10.	Contract Administrator: Bassar Richardson	Telephone Number: 213-922-4596	
	Project Manager: Robert Hartert	Telephone Number: 213-922-4353	

## BOARD REPORT ATTACHMENT A-1 PROCUREMENT HISTORY

### PAPER FOR PRINTING SERVICES

#### A. Background on Contractor

A&R Brokers is a certified Disadvantaged Business Enterprise (DBE) that was established in 1974. The firm is based in Los Angeles, California and employs ten individuals. A&R Brokers has provided paper supplies to Metro.

Kirk Paper is a wholly owned subsidiary of International Paper Company and has been in business since 1972. Kirk Paper is based in Downey, California and employs approximately 275 individuals. Kirk Paper currently has contracts with the County of Orange, and the Los Angeles Unified School District (LAUSD).

Unisource is located in the City of Commerce, California. Unisource draws on over 20 years of experience supplying a variety of paper related services. Unisource's major area of business expertise is providing printing and business paper, packaging system, and facility supplies for a variety of customers, such as, Los Angeles Unified School District (LAUSD), Orange County Transit Agency (OCTA), Long Beach School District, and Metro

Xpedx is a wholly owned subsidiary of International Paper Company, and has been in business for the past 8 years. Xpedx is located in the City of Industry, California and employs approximately 400 individuals. Xpedx has provided Metro with paper supplies for a seven year period.

#### B. Procurement Background

Metro conducted an Invitation for Bid (IFB) type procurement. IFB No. PS07714061986 was released on February 16, 2007 and advertised on February 16, 2007. A pre-bid conference was held February 26, 2007, and four bids were received on March 7, 2007. The four participating bidders were A & R Brokers, Kirk Papers, Unisource, and Xpedx. All four bidders were deemed technically qualified.

The Diversity & Economic Opportunity Department (DEOD) recommends a five percent Disadvantaged Business Enterprise (DBE) Anticipated Level of Participation for this task order procurement. The Disadvantaged Business Enterprise Anticipated Level of Participation (DALP) is voluntary and is not a condition of award or responsiveness.

#### C. Evaluation of Bids

This procurement was conducted in accordance with Metro's procurement policy and procedures. Pricing evaluation was based upon total value of separate line items for various paper commodities. Each line item will be awarded to the lowest bidder with the proviso that if the low bidder cannot provide requested paper supplies during the term of the contract in a timely manner, or cannot otherwise provide the required paper stock, Metro

reserves the right to place that particular order with the next, lowest responsive and responsible bidder, based upon availability, as indicated on the Schedule of Quantities and Prices form.

Pre-Qualification validation is not required on items that are “off-the-shelf” or items that can be purchased by general public.

D. Cost/Price Analysis Explanation of Variances

The recommended unit prices have been determined to be fair and reasonable based upon price analysis and adequate price competition.

BOARD REPORT ATTACHMENT A-2  
LIST OF SUBCONTRACTORS

PAPER FOR PRINTING SERVICES

PRIME CONTRACTOR -

A & R Brokers

Kirk Paper

Unisource

Xpedx

Small Business Commitment

Other Subcontractors

A & R Brokers (DBE) 60%

N/A

Total Commitment

60%

