



**OPERATIONS COMMITTEE
MARCH 17, 2005**

SUBJECT: TOILET PAPER

ACTION: AWARD CONTRACT FOR TOILET PAPER

RECOMMENDATION

Authorize the Chief Executive Officer to award a 24-month, firm fixed price contract under Bid Number 05-0003R to Gale Supply, the lowest responsive, responsible bidder for Toilet Paper - Kimberly Clark, lines 1 and 2 on the bid tabulation, for an amount not to exceed \$228,870, inclusive of sales tax and one-year option.

RATIONALE

Toilet paper is needed throughout all Metro facilities for general use by employees. This toilet paper will be maintained in inventory and managed by Material Management. Each of the Service Sector operating divisions, Rail facilities and Gateway Building Services will maintain toilet paper in the stock room based on their individual consumption requirements. As the toilet paper is issued, the appropriate Cost Center's budget, project numbers and accounts are charged.

The former three-year contract expired in October 2004, since that time we have purchased this material on the open market, as needed.

FINANCIAL IMPACT

The funding of \$76,000 for this product is included in the FY05 budget in Cost Centers 3503, 3508, 3515, 3601, 3706, 3707, 3710, 3802, 3805, 3818, 3441, 3442, 3443, 3342, 3920 and 6430 under project numbers 300011 to 305008, M/S Building and Grounds account number 50431. Since this is a multi-year contract, the Cost Center Manager and Executive Officer will be accountable for budgeting the cost in future years cost center. In FY04 \$76,000 was expended for on this item.

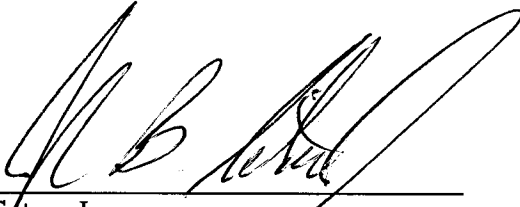
ALTERNATIVES CONSIDERED

The alternative is not to award the contract and continue to procure toilet paper on an as-needed basis at a higher cost. This approach is not recommended since it does not provide a commitment from the suppliers or the paper manufacturer to ensure availability and or cost effectiveness.

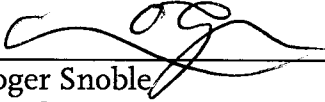
ATTACHMENTS

- A. Procurement Summary, Attachment A
- B. Procurement History, Attachment A-1
- C. Bid Tabulation, Attachment A-2

Prepared By: T. Allen, Senior Buyer
Paul Lewicki, Inventory Control Manager



John B. Catoe, Jr.
Deputy Chief Executive Officer



Roger Snoble
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

TOILET PAPER

| | | | |
|----|--|---|---|
| 1. | Contract Number: 05-0003R | | |
| 2. | Recommended Vendor: Gale Supply, 2414 Wellesley Ave, Los Angeles, CA 90064 | | |
| 3. | Cost/Price Analysis Information: | | |
| | 1. Bid/Proposed Price: \$ 228,870 | Estimated Amount: \$ 224,000 | |
| | B. Details of Significant Variances are in Attachment A-1.D | | |
| 4. | Contract Type: Fixed Price | | |
| 5. | Procurement Dates: | | |
| | A. Issued: 1/13/05 | | |
| | B. Advertised: 1/10/05 | | |
| | C. Pre-bid Conference: N/A | | |
| | D. Proposals/Bids Due: 2/08/05 | | |
| | E. Pre-Qualification Completed: N/A | | |
| | F. Conflict of Interest Form Submitted to Ethics: Yes | | |
| 6. | Small Business Participation: 0% | | |
| | A. Bid/Proposal Goal:0% No goal recommended | Date Small Business Evaluation Completed: | |
| | Small Business Commitment: No goal recommended | | |
| 7. | Invitation for Bid/Request for Proposal Data: | | |
| | Notifications Sent: 29 | Bids/Proposals Picked-up: 29 | Bids/Proposals Received: 11 |
| 8. | Evaluation Information: | | |
| | A. Bidders/Proposers Names: | <u>Bid/Proposal Amount:</u> | <u>Best and Final Offer Amount:</u> N/A |
| | 1. Gale Supply | \$298,734 | |
| | 2. Gale Supply | \$357,191 | |
| | 3. Southend Janitorial | \$306,962 | |
| | 4. Empire Cleaning Supply | \$297,423 | |
| | 5. The Home Depot Supply | \$323,417 | |
| | 6. Unisource Worldwide | \$350,585 | |
| | 7. Unisource Worldwide | \$302,969 | |
| | 8. Satera Corporation | \$464,128 | |
| | 9. Janitorial Supplier | \$319,541 | |
| | 10. Brandon Supply Corporation | \$654,037 | |
| | 11. Ernest Paper Products | \$148,353 | |
| | B. Evaluation Methodology: Selection of the lowest responsive, responsible bidder. | | |
| 9. | Protest Information: | | |
| | A. Protest Period End Date: March 22, 2005 | | |

| | | |
|-----|--|-----------------------------------|
| | B. Protest Receipt Date: N/A | |
| | C. Disposition of Protest Date: N/A | |
| 10. | Contract Administrator: Tanya Allen | Telephone Number: 213/922-1018 |
| 11. | Project Manager: Paul Lewicki | Telephone Number: 213/922-5029 |

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

TOILET PAPER

A. Background on Contractor

Gale Supply is located in Los Angeles, California, and has been in the janitorial and paper supplies business since 1946. Gale Supply has provided janitorial paper items to other agencies including the County of Los Angeles, Los Angeles Unified School District and the City of Los Angeles. In the past, Gale Supply has provided satisfactory service and delivery of janitorial paper items to Metro.

B. Procurement Background

In accordance with the Procurement Policies and Procedures, the eleven bids were evaluated based on approved manufacture part numbers. The apparent low bidder, Ernest Paper Products was determined to be non-responsive to the solicitation requirements as set forth below in Section C.

Based on the pricing received for Line #3, Metro elected not to award this item, because the pricing received from the lowest bidder for this item was 24% greater than the current price that Metro is paying on the open market.

The Diversity and Economic Opportunity Department did not recommend a (DBE) participation goal for this procurement.

C. Evaluation Criteria

Technical review and selection of the lowest responsive, responsible bidder.

Bidder #1 Southend Janitorial in the amount of \$306,962 is non-responsive to bid specifications.

Bidder #2 Empire Cleaning Supply in the amount of \$297,422.67 is in full compliance to the technical and the bid specifications.

Bidder #3 The Home Depot Supply in the amount of \$324,417 is in full compliance to the technical and the bid specifications.

Bidder #4 Gale Supply in the amount of Bid #1 \$357,191, Fort James and Bid #2 \$298,734, Kimberly Clark are in full compliance to the technical and the bid specifications.

Bidder #5 Unisource Worldwide, Inc. in the amount of Bid #1 \$350,585, Fort James and Bid #2 \$302,969, Kimberly Clark are in full compliance to the technical and the bid specifications.

- Bidder #6 Satera Corporation in the amount of \$464,128 is in full compliance to the technical and the bid specifications.
- Bidder #7 Janitorial Supplier in the amount of \$319,541 is non-responsive to the bid specifications.
- Bidder #8 Brandon Supply Corporation in the amount of \$654,037 is in full compliance to the technical and the bid specifications.
- Bidder #9 Ernest Paper Products in the amount of \$148,353 is non-responsive to the bid specifications. Pricing received from Ernest Paper Products was for the option year only.

D. Cost/Price Analysis Explanation of Variances

The recommended bid price of \$228,970 has been determined to be fair and reasonable based upon adequate price competition and selection of the lowest responsive and responsible bidder. Based on historical data the project cost savings will be \$22,940.

Bids Out: 01/13/05 Total 29
 Bids Opened: 02/08/05 Total 9
 No Bids: 0
 Advertisement Date(s): 01/10/05
 Newspaper: Daily News

| Item No. | Description | Approved Brand | Est. Qty | Unit | Southend Janitorial Supply, Inc.* | | Empire Cleaning Supply | | The Home Depot Supply | | Gale Supply Co. | | Unisource Worldwide, Inc. | |
|---|--|----------------|----------|------|-----------------------------------|---------------|------------------------|--------------|-----------------------|--------------|-----------------|--------------|---------------------------|--------------|
| | | | | | Unit Price | Total Price | Unit Price | Total Price | Unit Price | Total Price | Unit Price | Total Price | Unit Price | Total Price |
| 24 MONTH | | | | | | | | | | | | | | |
| 1 | Toilet Paper - 2 ply unperforated 2000 Feet per roll | FJ 13102 | 6658 | CS | \$20.75 | 138,153.50 | \$20.989 | 139,744.762 | 22.92 | 152,601.36 | \$25.95 | \$172,775.10 | 24.84 | 165,384.72 |
| | | KC 7827 | 6658 | CS | | 0.00 | | 0.000 | | 0.00 | \$20.85 | \$138,819.30 | 21.24 | 141,415.92 |
| 2 | Toilet Paper - 9" jumbo 12 rolls per case | FJ 13702 | 102 | CS | \$20.75 | 2,116.50 | \$20.989 | 2,140.878 | 22.92 | 2,337.84 | \$25.95 | \$2,646.90 | 24.84 | 2,533.68 |
| | | KC 7805 | 102 | CS | | 0.00 | | 0.000 | | 0.00 | \$20.90 | \$2,131.80 | 21.24 | 2,166.48 |
| 3 | Toilet Paper - 2 ply | FJ 18082 | 1400 | CS | \$30.85 | 43,190.00 | \$29.989 | 41,984.600 | 31.60 | 44,240.00 | \$34.45 | \$48,230.00 | 34.28 | 47,992.00 |
| | | KC 4460 | 1400 | CS | | 0.00 | | 0.000 | | 0.00 | \$31.40 | \$43,960.00 | 31.42 | 43,988.00 |
| Sub Total Fort James | | | | | | \$183,460.00 | | \$183,870.24 | | \$199,179.20 | | \$223,652.00 | | \$215,910.40 |
| Sales Tax 8.25 % | | | | | | \$15,135.45 | | \$15,169.29 | | \$16,432.28 | | \$18,451.29 | | \$17,812.61 |
| Total 24 Month Bid Price for Fort James | | | | | | \$198,595.45 | | \$199,039.53 | | \$215,611.48 | | \$242,103.29 | | \$233,723.01 |
| Sub Total Kimberly Clark | | | | | | \$0.00 | | \$0.00 | | \$0.00 | | \$184,911.10 | | \$187,570.40 |
| Sales Tax 8.25 % | | | | | | \$0.00 | | \$0.00 | | \$0.00 | | \$15,255.17 | | \$15,474.56 |
| Total 24 Month Bid Price Kimberly Clark | | | | | | \$0.00 | | \$0.00 | | \$0.00 | | \$200,166.27 | | \$203,044.96 |
| 12 MONTH (Option Year) | | | | | | | | | | | | | | |
| 1 | Toilet Paper - 2 ply unperforated 2000 Feet per roll | FJ 13102 | 3329 | CS | \$22.63 | \$75,335.270 | \$20.989 | 69,872.381 | 22.92 | 76,300.68 | 24.35 | 81,061.15 | 24.84 | 82,692.36 |
| | | KC 7827 | 3329 | CS | | \$0.000 | | 0.000 | | 0.00 | 20.85 | 69,409.65 | 21.24 | 70,707.96 |
| 2 | Toilet Paper - 9" jumbo 12 rolls per case | FJ 13702 | 51 | CS | \$22.63 | \$1,154.130 | \$20.989 | 1,070.439 | 22.92 | 1,168.92 | 24.35 | 1,241.85 | 24.84 | 1,266.84 |
| | | KC 7805 | 51 | CS | | \$0.000 | | 0.000 | | 0.00 | 20.90 | 1,065.90 | 21.24 | 1,083.24 |
| 3 | Toilet Paper - 2 ply | FJ 18082 | 700 | CS | \$33.74 | \$23,618.000 | \$28.49 | 19,942.300 | 31.60 | 22,120.00 | 34.20 | 23,940.00 | 34.28 | 23,996.00 |
| | | KC 4460 | 700 | CS | | \$0.000 | | 0.000 | | 0.00 | 29.40 | 20,580.00 | 29.31 | 20,517.00 |
| Sub Total Fort James | | | | | | \$100,107.400 | | \$90,885.12 | | \$99,589.60 | | \$106,243.00 | | \$107,955.20 |
| Sales Tax 8.25 % | | | | | | \$8,258.86 | | \$7,498.02 | | \$8,216.14 | | \$8,765.05 | | \$8,906.30 |
| Total 12 Month Bid Price for Fort James | | | | | | \$108,366.26 | | \$98,383.14 | | \$107,805.74 | | \$115,008.05 | | \$116,861.50 |
| Sub Total Kimberly Clark | | | | | | \$0.00 | | \$0.00 | | \$0.00 | | \$91,055.55 | | \$92,308.20 |
| Sales Tax 8.25 % | | | | | | \$0.00 | | \$0.00 | | \$0.00 | | \$7,512.08 | | \$7,615.43 |
| Total 12 Month Bid Price Kimberly Clark | | | | | | \$0.00 | | \$0.00 | | \$0.00 | | \$98,567.63 | | \$99,923.63 |

Bids Out: 01/13/05 Total 29
 Bids Opened: 02/08/05 Total 9
 No Bids: 0
 Advertisement Date(s): 01/10/05
 Newspaper: Daily News

| Item No. | Description | Approved Brand | Est. Qty | Unit | Satera Corporation | | Janitorial Supply* | | Brandon Supply Corp.* | | Ernest Paper Products* | |
|---|---|----------------|----------|------|--------------------|--------------|--------------------|--------------|-----------------------|--------------|------------------------|--------------|
| | | | | | Unit Price | Total Price | Unit Price | Total Price | Unit Price | Total Price | Unit Price | Total Price |
| 24 MONTH | | | | | | | | | | | | |
| 1 | Toilet Paper - 2 ply unperforated 2000 Feet per roll | FJ 13102 | 6658 | CS | | \$0.00 | \$36.50 | \$243,017.00 | \$48.35 | \$321,914.30 | No Bid | \$0.00 |
| | | KC 7827 | 6658 | CS | \$34.61 | \$230,433.38 | | \$0.00 | | \$0.00 | | \$0.00 |
| 2 | Toilet Paper - 9" jumbo 12 rolls per case | FJ 13702 | 102 | CS | | \$0.00 | \$36.50 | \$3,723.00 | \$48.35 | \$4,931.70 | No Bid | \$0.00 |
| | | KC 7805 | 102 | CS | \$33.55 | \$3,422.10 | | \$0.00 | | \$0.00 | | \$0.00 |
| 3 | Toilet Paper - 2 ply | FJ 18082 | 1400 | CS | | \$0.00 | \$34.50 | \$48,300.00 | \$52.74 | \$73,836.00 | No Bid | \$0.00 |
| | | KC 4460 | 1400 | CS | \$35.30 | \$49,420.00 | | \$0.00 | | \$0.00 | | \$0.00 |
| Sub Total Fort James | | | | | | \$0.00 | | \$295,040.00 | | \$400,682.00 | | \$0.00 |
| Sales Tax 8.25 % | | | | | | \$0.00 | | \$24,340.80 | | \$33,056.27 | | \$0.00 |
| Total 24 Month Bid Price for Fort James | | | | | | \$0.00 | | \$319,380.80 | | \$433,738.27 | | \$0.00 |
| Sub Total Kimberly Clark | | | | | | \$283,275.48 | | \$0.00 | | \$0.00 | | \$0.00 |
| Sales Tax 8.25 % | | | | | | \$23,370.23 | | \$0.00 | | \$0.00 | | \$0.00 |
| Total 24 Month Bid Price Kimberly Clark | | | | | | \$306,645.71 | | \$0.00 | | \$0.00 | | \$0.00 |
| 12 MONTH (Option Year) | | | | | | | | | | | | |
| 1 | Toilet Paper - 2 ply unperforated 2000 Feet per roll | FJ 13102 | 3329 | CS | | \$0.00 | \$36.50 | \$121,508.50 | \$49.19 | \$163,753.51 | \$36.13 | \$120,276.77 |
| | | KC 7827 | 3329 | CS | \$35.54 | \$118,312.66 | | \$0.00 | | \$0.00 | | \$0.00 |
| 2 | Toilet Paper - 9" jumbo 12 rolls per case | FJ 13702 | 51 | CS | | \$0.00 | \$36.50 | \$1,861.50 | \$49.19 | \$2,508.69 | \$22.33 | \$1,138.83 |
| | | KC 7805 | 51 | CS | \$34.46 | \$1,757.46 | | \$0.00 | | \$0.00 | | \$0.00 |
| 3 | Toilet Paper - 2 ply | FJ 18082 | 700 | CS | | \$0.00 | \$34.50 | \$24,150.00 | \$53.21 | \$37,247.00 | 22.33 | \$15,631.00 |
| | | K C 4460 | 700 | CS | \$36.30 | \$25,410.00 | | \$0.00 | | \$0.00 | | \$0.00 |
| Sub Total Fort James | | | | | | \$0.00 | | \$147,520.00 | | \$203,509.20 | | \$137,046.60 |
| Sales Tax 8.25 % | | | | | | \$0.00 | | \$12,170.40 | | \$16,789.51 | | \$11,306.34 |
| Total 12 Month Bid Price for Fort James | | | | | | \$0.00 | | \$159,690.40 | | \$220,298.71 | | \$148,352.94 |
| Sub Total Kimberly Clark | | | | | | \$145,480.12 | | \$0.00 | | \$0.00 | | \$0.00 |
| Sales Tax 8.25 % | | | | | | \$12,002.11 | | \$0.00 | | \$0.00 | | \$0.00 |
| Total 12 Month Bid Price Kimberly Clark | | | | | | \$157,482.23 | | \$0.00 | | \$0.00 | | \$0.00 |

*Did not submit sample for approved equal.

I hereby certify Gale Supply as being the lowest responsible bidder and recommend the award to them for total price, including sales tax, of \$ 228,870.

Date 2-24-05

Signature

