



**OPERATIONS COMMITTEE  
APRIL 20, 2006**

**SUBJECT: PAPER PRODUCTS**

**ACTION: AWARD CONTRACT FOR PAPER PRODUCTS**

**RECOMMENDATION**

Authorize the Chief Executive Officer to award a three-year firm fixed price contract under Bid 06-0005 to Empire Cleaning Supply, the lowest responsive, responsible bidder for Paper Products for line items 1, 3, and 4 for an amount not to exceed \$1,648,189, inclusive of sales tax and two one year options.

**RATIONALE**

The Paper Products purchased under this procurement will be maintained in inventory and managed by Material Management. The paper products are disseminated throughout the Agency's Operating Divisions, buildings, and work sites to maintain cleanliness and safety of employees.

Metro purchases a variety of towels based on the functional requirements of the various user groups. The cellulose wipers are used primarily by mechanics at the RRC, Bus Service Sectors and Rail Divisions because of the wiper's absorbency qualities and cloth like characteristics needed to wipe up oil and grease. The windshield towels are used by the service attendants at the operating divisions to clean the bus and rail car windshields. Other towels are used by janitorial staff to stock in the bathrooms and for general purpose and cleaning functions.

**FINANCIAL IMPACT**

The funding of \$92,000 for these paper product is included in the FY06 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 FY05 \$508,418 was expended for these items.

**ALTERNATIVES CONSIDERED**

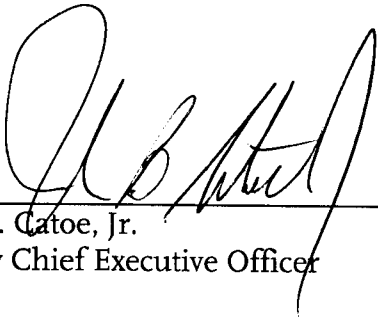
The alternative is not to award the contract and continue to procure paper products on an as-needed basis at a higher cost. This approach is not recommended since it does not provide a

commitment from the suppliers or the paper mills to ensure availability and guaranteed fixed cost.

## **ATTACHMENTS**

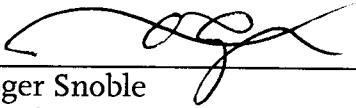
- A. Procurement Summary
- A-1 Procurement History
- A-2 DBE Participation
- B Bid Tabulation

Prepared By: T. Allen, Senior Buyer  
C. Kaminiski, Material Planning Manager



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John B. Catoe, Jr.  
Deputy Chief Executive Officer



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Roger Snoble  
Chief Executive Officer

**BOARD REPORT ATTACHMENT A  
PROCUREMENT SUMMARY**

**PAPER PRODUCTS**

1.	Contract Number: 06-0005		
2.	Recommended Vendors: Empire Cleaning Supply, 12821 S. Figueroa Street, Los Angeles, CA 90061		
3.	Cost/Price Analysis Information:		
	1. Bid/Proposed Price: \$1,648,189	Estimated Amount: \$1,109,990	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: Fixed Price		
5.	Procurement Dates:		
	A. Issued: 9/2/05		
	B. Advertised: 9/2/05		
	C. Pre-bid Conference: 9/15/05		
	D. Proposals/Bids Due: 1/12/06		
	E. Pre-Qualification Completed: No		
	F. Conflict of Interest Form Submitted to Ethics: Yes		
6.	Small Business Participation:		
	A. Bid/Proposal Goal: 10%	Date Small Business Evaluation Completed: 2/6/06	
	Small Business Commitment: 10%		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: 22	Bids/Proposals Picked up: 22	Bids/Proposals Received: 8
8.	Evaluation Information:		
	A. Bidders/Proposers Names:	<u>Bid/Proposal Amount:</u>	<u>Best and Final Offer Amount: N/A</u>
	1. Southend Janitorial	\$2,026,086.41	
	2. Gale Supply	\$2,032,259.39	
	3. Empire Cleaning Supply	\$2,166,348.28	
	4. Logan Marketing	\$2,192,679.14	
	5. Gale Supply (Alt. Bid)	\$2,309,101.88	
	6. Gale Supply (Alt. Bid)	\$2,312,820.01	
	7. Logan Marketing (Alt. Bid)	\$2,850,158.89	
	8. Empire Cleaning Supply (Alt. Bid).	\$ 530,025.25	
	B. Evaluation Methodology: Selection of the lowest responsive, responsible bidder.		
9.	Protest Information:		
	A. Protest Period End Date: 4-26-06		
	B. Protest Receipt Date: TBD		
	C. Disposition of Protest Date: TBD		
10.	Contract Administrator: Tanya Allen	Telephone Number: 213/922-1018	
11.	Project Manager: Cathy Kaminski	Telephone Number: 213/922-5713	

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

**PAPER PRODUCTS**

**A. Background on Contractor**

The responsive and responsible low bidder for line items 1, 3, and 4 for various Paper Towels, Empire Cleaning Supply, is located in Los Angeles, California, and has been in the janitorial and paper supplies business since 1936. Empire Cleaning Supply has provided janitorial paper products to other agencies including the City of Los Angeles. In the past, Empire Cleaning Supply has provided satisfactory service and delivery of janitorial paper products to Metro.

**B. Procurement Background**

In accordance with Procurement Policies and Procedures, Quality Assurance performed a technical evaluation of the bids received. The lowest bidder was determined to be non-response to the solicitation requirements as set forth below in Section C.

Line two for roll towels will not be awarded on this contract because of a discrepancy in the case sizes. An IFB for this item will be re-issued with revised specifications.

The Diversity and Economic Opportunity Department recommend a 10% Disadvantaged Business Enterprise (DBE) participation goal for this procurement.

**C. Evaluation Criteria**

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

Bidder #1 Empire Cleaning Supply, the lowest bidder for line items 1, 3, and 4 in the amount of \$1,648,189 is in full compliance with the technical and bid specifications.

Empire Cleaning Supply's alternate low bid on line 4 for the SCA product was not accepted as an approved equal.

Bidder #2 Southend Janitorial in the amount of \$2,026,086 is in full compliance with the technical and bid specifications.

Bidder #3 Gale Supply in the amount of \$2,032,259 on their primary bid and alternate bids is in full compliance with the technical and bid specifications.

Bidder #4 Logan Marketing in the amount of \$2,192,679 on their primary bid did not submit samples for approved equal; therefore, they cannot be considered for award.

Logan Marketing in the amount of \$2,850,159 on their alternate bid is in full compliance with line items 1 and 2 but items 3 and 4 were not accepted as approved equals.

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

The recommended bid price of \$1,648,189 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 pricing Metro will saved \$4,723.

**BOARD REPORT ATTACHMENT A-2**

**DISADVANTAGED BUSINESS ENTERPRISE PARTICIPATION**

SMALL BUSINESS PARTICIPATION			
<input checked="" type="checkbox"/> FTA DBE Program	<input type="checkbox"/> FHWA DBE	<input type="checkbox"/> SBE Program	<input type="checkbox"/> M/WBE VALP
CONTRACT:	No.bid 06-0005	(Exact Contract Title)The PAPER PRODUCTS	
PROJECT:	202009		
For New Awards:			
GOAL 10%	COMMITMENT 10.20%	Good Faith Efforts Not applicable.	Comments

Small Business Commitment:

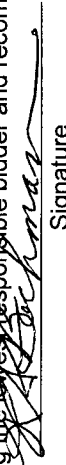
Subcontractor Name	%
Empire Cleaning Supply	10.20 %

# LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY BID TABULATION

**Bid No: 06-0005 Paper Products**

Item No.	Description	Est. Qty	Unit	Gale Supply Co. Bid B			Gale Supply Co. Bid C			Logan Marketing Bid B			Empire Cleaning Supply Bid B		
				Brand	Unit Price	Total Price	Brand	Unit Price	Total Price	Brand	Unit Price	Total Price	Brand	Unit Price	Total Price
<b>12 Month</b>															
1	Towel- General Purpose 9.8" x 16.4" pop up bound	11,808	CS	KC	\$37.60	\$443,980.80	KC	\$37.60	\$443,980.80	KC	\$51.71	\$610,591.68	N/A	N/A	\$0.00
2	Towels- Roll 8" 6 per case	4,752	CS	KC	\$34.00	\$161,568.00	KC	\$34.00	\$161,568.00	KC	\$25.57	\$121,508.64	SCA	\$17.64	\$83,825.28
3	Towel-C-Ford 13.3" x 10.4" 1 ply ultra high	2,436	CS	FJ	\$18.80	\$45,796.80	KC	\$19.25	\$46,893.00	SCA	\$23.01	\$56,052.36	KC	\$18.32	\$44,627.52
4	Towels- Paper 10x 10-1/2" Single Fold 15 pkg. Count	1,560	CS	KC	\$20.55	\$32,058.00	KC	\$20.55	\$32,058.00	SCA	\$19.32	\$30,139.20	SCA	\$17.65	\$27,534.00
				Sub Total		\$683,403.60			\$684,499.80			\$818,291.88			\$155,986.80
				Sales Tax 8.25 %		\$56,380.80			\$56,471.23			\$67,509.08			\$12,868.91
				<b>Total 12 Month</b>		<b>\$739,784.40</b>			<b>\$740,971.03</b>			<b>\$885,800.96</b>			<b>\$168,855.71</b>
<b>Option 1</b>															
1	Towel- General Purpose 9.8" x 16.4" pop up bound	11,808	CS	KC	\$39.10	\$461,692.80	KC	\$39.10	\$461,692.80	KC	\$55.32	\$653,218.56	N/A	N/A	\$0.00
2	Towels- Roll 8" 6 per case	4,752	CS	KC	\$35.36	\$168,030.72	KC	\$35.36	\$168,030.72	KC	\$27.35	\$129,967.20	SCA	\$18.49	\$87,864.48
3	Towel-C-Ford 13.3" x 10.4" 1 ply ultra high	2,436	CS	FJ	\$19.55	\$47,623.80	KC	\$20.02	\$48,768.72	SCA	\$24.62	\$59,974.32	KC	\$19.02	\$46,332.72
4	Towels- Paper 10x 10-1/2" Single Fold 15 pkg. Count	1,560	CS	KC	\$21.37	\$33,337.20	KC	\$21.37	\$33,337.20	SCA	\$20.67	\$32,245.20	SCA	\$18.53	\$28,906.80
				Sub Total		\$710,684.52			\$711,829.44			\$875,405.28			\$163,104.00
				Sales Tax 8.25 %		\$58,631.47			\$58,725.93			\$72,220.94			\$13,456.08
				<b>Total Option 1</b>		<b>\$769,315.99</b>			<b>\$770,555.37</b>			<b>\$947,626.22</b>			<b>\$176,560.08</b>
<b>Option 2</b>															
1	Towel- General Purpose 9.8" x 16.4" pop up bound	11,808	CS	KC	\$40.66	\$480,113.28	KC	\$40.66	\$480,113.28	KC	\$59.19	\$698,915.52	N/A	N/A	\$0.00
2	Towels- Roll 8" 6 per case	4,752	CS	KC	\$36.77	\$174,731.04	KC	\$36.77	\$174,731.04	KC	\$29.81	\$141,657.12	SCA	\$19.38	\$92,093.76
3	Towel-C-Ford 13.3" x 10.4" 1 ply ultra high	2,436	CS	FJ	\$20.33	\$49,523.88	KC	\$20.82	\$50,717.52	SCA	\$26.34	\$64,164.24	KC	\$19.76	\$48,135.36
4	Towels- Paper 10x 10-1/2" Single Fold 15 pkg. Count	1,560	CS	KC	\$22.22	\$34,663.20	KC	\$22.22	\$34,663.20	SCA	\$22.12	\$34,507.20	SCA	\$19.43	\$30,310.80
				Sub Total		\$739,031.40			\$740,225.04			\$939,244.08			\$170,539.92
				Sales Tax 8.25 %		\$60,970.09			\$61,068.57			\$77,487.64			\$14,069.54
				<b>Total Option 2</b>		<b>\$800,001.49</b>			<b>\$801,293.61</b>			<b>\$1,016,731.72</b>			<b>\$184,609.46</b>
				<b>GRAND TOTAL 12 MONTH PLUS OPTIONS 1 &amp; 2</b>		<b>\$2,309,101.88</b>			<b>\$2,312,820.01</b>			<b>\$2,850,158.89</b>			<b>\$530,025.25</b>

I hereby certify Empire Cleaning Supply as being the lowest responsible bidder and recommend the award to them for total price, including sales tax, of \$1,648,189.

3/29/06  
  
 Date

Signature



# LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY BID TABULATION

## Bid No: 06-0005 Paper Products

Bids Out: 09/02/05 Total 22  
 Bids Opened: 01/12/06 Total 8  
 Advertisement Date(s): 09/02/05  
 Newspaper: Daily News

Item No.	Description	Est. Qty	Unit	Southend Janitorial			Gale Supply Co. Bid A			Empire Cleaning Supply Bid A			Logan Marketing Bid A		
				Brand	Unit Price	Total Price	Brand	Unit Price	Total Price	Brand	Unit Price	Total Price	Brand	Unit Price	Total Price
<b>12 Month</b>															
1	Towel- General Purpose 9.8" x 16.4" pop up bound	11,808	CS	KC	\$37.09	\$437,958.72	KC	\$37.60	\$443,980.80	KC	\$35.10	\$414,460.80	Brotex	\$34.99	\$413,161.92
2	Towels- Roll 8" 6 per case	4,752	CS	GP	\$16.95	\$80,546.40	GP	\$17.06	\$81,069.12	KC	\$32.31	\$153,537.12	Princess	\$30.47	\$144,793.44
3	Towel-C-Ford 13.3" x 10.4" 1 ply ultra high	2,436	CS	GP	\$18.57	\$45,236.52	KC	\$18.70	\$45,553.20	KC	\$17.75	\$43,239.00	Princess	\$18.47	\$44,992.92
4	Towels- Paper 10x 10-1/2" Single Fold 15 pkg. Count	1,560	CS	GP	\$21.05	\$32,838.00	KC	\$20.55	\$32,058.00	KC	\$19.52	\$30,451.20	Princess	\$17.17	\$26,785.20
				Sub Total			\$596,579.64			\$641,688.12			\$629,733.48		
				Sales Tax 8.25 %			\$49,217.82			\$49,719.54			\$51,953.01		
				<b>Total 12 Month</b>			<b>\$645,797.46</b>			<b>\$652,380.66</b>			<b>\$681,686.49</b>		
<b>Option 1</b>															
1	Towel- General Purpose 9.8" x 16.4" pop up bound	11,808	CS	KC	\$38.57	\$455,434.56	KC	\$39.10	\$461,692.80	KC	\$36.48	\$430,755.84	Brotex	\$37.44	\$442,091.52
2	Towels- Roll 8" 6 per case	4,752	CS	GP	\$17.96	\$85,345.92	GP	\$17.74	\$84,300.48	KC	\$33.56	\$159,477.12	Princess	\$32.60	\$154,915.20
3	Towel-C-Ford 13.3" x 10.4" 1 ply ultra high	2,436	CS	GP	\$19.68	\$47,940.48	KC	\$18.70	\$45,553.20	KC	\$18.44	\$44,919.84	Princess	\$19.76	\$48,135.36
4	Towels- Paper 10x 10-1/2" Single Fold 15 pkg. Count	1,560	CS	GP	\$22.30	\$34,788.00	KC	\$21.37	\$33,337.20	KC	\$20.27	\$31,621.20	Princess	\$18.71	\$29,187.60
				Sub Total			\$623,508.96			\$666,774.00			\$674,329.68		
				Sales Tax 8.25 %			\$51,439.49			\$51,552.90			\$55,008.86		
				<b>Total Option 1</b>			<b>\$674,948.45</b>			<b>\$676,436.58</b>			<b>\$729,961.88</b>		
<b>Option 2</b>															
1	Towel- General Purpose 9.8" x 16.4" pop up bound	11,808	CS	KC	\$40.10	\$473,500.80	KC	\$40.66	\$480,113.28	KC	\$37.91	\$447,641.28	Brotex	\$40.06	\$473,028.48
2	Towels- Roll 8" 6 per case	4,752	CS	GP	\$19.03	\$90,430.56	GP	\$18.45	\$87,674.40	KC	\$34.86	\$165,654.72	Princess	\$34.88	\$165,749.76
3	Towel-C-Ford 13.3" x 10.4" 1 ply ultra high	2,436	CS	GP	\$20.85	\$50,790.60	KC	\$19.45	\$47,380.20	KC	\$19.15	\$46,649.40	Princess	\$21.14	\$51,497.04
4	Towels- Paper 10x 10-1/2" Single Fold 15 pkg. Count	1,560	CS	GP	\$23.63	\$36,862.80	KC	\$22.22	\$34,663.20	KC	\$21.05	\$32,838.00	Princess	\$20.02	\$31,231.20
				Sub Total			\$651,584.76			\$649,831.08			\$692,783.40		
				Sales Tax 8.25 %			\$53,755.74			\$53,611.06			\$59,524.28		
				<b>Total Option 2</b>			<b>\$705,340.50</b>			<b>\$703,442.14</b>			<b>\$781,030.76</b>		
				<b>GRAND TOTAL 12 MONTH PLUS OPTIONS 1 &amp; 2</b>			<b>\$2,026,086.41</b>			<b>\$2,032,259.39</b>			<b>\$2,166,348.28</b>		

