

COUNCIL AGENDA: 05/16/06

ITEM: 2.6

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Scott P. Johnson

SUBJECT: SEE BELOW

DATE: May 2, 2006

Approved

Deanna Aafna

Date

5/8/06

SUBJECT: REPORT ON QUOTES FOR UNIFORM RENTAL AND LAUNDRY SERVICES WITH AMERI PRIDE UNIFORM SERVICES

RECOMMENDATION

Authorize the Director of Finance to:

1. Execute a Uniform and Laundry Service Agreement with Ameri-Pride Uniform Services (Hayward, CA) for a one-year agreement from May 16, 2006 through May 15, 2007 not to exceed \$200,000.
2. Exercise four additional one-year options to renew without further Council action other than the appropriation of funds.
3. Issue Purchase Orders for various departments in an amount not to exceed the agreement amount effective July 1, 2006 subject to appropriation of funds for Fiscal Year 2006-2007.

OUTCOME

Provide cost effective Uniform and Laundry services for use by City of San Jose departments.

BACKGROUND

The Department of Finance provides oversight to the Uniform and Laundry Agreement for nine City departments. This contract, replacing an existing agreement with Aramark Uniform Services, which expires on June 30, 2006, ensures weekly rental, maintenance and laundry services of work related garments required by labor bargaining agreements for various City departments. Items to be furnished and laundered under this agreement include, but are not limited to, shirts, pants, coveralls, shop and lab coats, smocks, towels, mats/rugs. Additionally, the contractor is required to launder certain City-owned items. The laundered items are delivered to designated locations and maintained in good condition and repair in accordance with the agreement.

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ANALYSIS

A notice inviting quotes was published on February 17, 2006. A mandatory pre-quote conference was held on February 28, 2006. Five uniform and laundry service companies attended. Three bids representing three service companies were received and publicly opened on March 9, 2006. Quotes from two other companies were rejected and returned to respondents because of late submission. The quote results were evaluated as follows.

The quote process required all respondents to submit with their quotes the required documentation including but not limited to Material Data Sheets, references, transition plan and a copy of their current San Jose Business License. The three quotes accepted were evaluated and found to be responsive for inclusion of all required documentation. All three vendors were evaluated and found to be responsible and had the capability to perform all of the requirements of the scope of work including sufficient experience, personnel, adequacy of plant facilities and proper equipment to perform all services under the specification of this agreement.

After quotes were deemed to be responsive and responsible, the recommendation for award was price determinative based on the estimated quantities provided by the City. The analysis represented in the table below shows that Ameri Pride submitted the lowest price. The City's Local and Small Business preference had no effect on the award recommendation. In comparison to the cost of the current agreement, the City is expected to save approximately \$68,000 annually through this new contract.

Vendors	Bid Total	Local Business Enterprise (LBE) 2.5%	Small Business Enterprise (SBE) 2.5%	Adjusted Total/Award
Ameri Pride Uniform Service (Hayward, CA)	\$119,866	No	No	\$119,866
Aramark Uniform Services (Burbank, CA)	\$146,383	No	No	\$146,383
Prudential Overall Supply (Milpitas, CA)	\$173,647	Yes	No	\$169,306

On April 12, the City's Chief Purchasing Officer received an email from Aramark protesting the award recommendation because procurement staff released the current contract pricing at the pre-quote conference. Prior to the pre-quote conference, two potential respondents requested the information under the Public Records Act. To ensure fair and open competition, staff shared the current pricing, a public record, at the pre-quote conference. The Chief Purchasing Officer determined that the protest had no merit.

In order to prepare for commencement of laundry and uniform services on July 1, the contractor requires approximately 45 days for implementation. The time between the start date of the formal Agreement and July 1, 2006 will allow Contractor sufficient time to meet with employees from the nine City Departments to measure for uniforms, order uniforms, prepare necessary routing, set up delivery schedules, invoicing, obtain permits and licenses, and coordinate with the City Department contacts to have all uniforms and other product in place by July 1, 2006. Thereafter, purchase orders will be issued for service to be provided effective July 1, 2006.

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The agreement with the contractor states that Contractor understands and agrees that the agreement is being entered into before the Council has adopted its Fiscal Year 2006-2007 budget or enacted its appropriations for the fiscal years during which the services will be performed. It further states in part, that "in the event that the City fails to appropriate funds for the services to be performed under this Agreement, City shall have the right to terminate this Agreement in whole or in part and that the City shall not be liable in any way to make payments in any way to Contractor, even if Contractor has performed services in anticipation of the appropriation of funding."

ALTERNATIVE

Since this contract requires a minimum 45 day implementation period, starting the contract on July 1, would require Council approval to extend the existing purchase orders by two months to ensure seamless uniform and laundry services for City employees.

PUBLIC OUTREACH

This quote was placed on the City of San Jose web site and on the Demandstar bid notification system.

COORDINATION

This memorandum has been coordinated with the departments of Environmental Services, PRNS, Fire, General Services, Police, Transportation, Public Works, the City Manager's Budget Office, and the City Attorney's Office.

COST IMPLICATIONS

There will be no costs to the City before Fiscal Year 2006-2007, at which time, appropriation of funds will be subject to approval of the proposed Fiscal Year 2006-2007 budget by the City Council. In comparison to the cost of the current agreement, staff estimates savings to the City of approximately \$68,000 annually.

BUDGET REFERENCE

Not Applicable.

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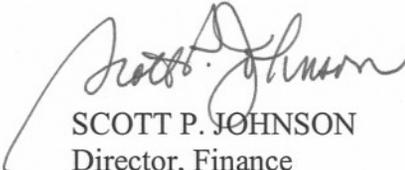
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CEQA

Not a project.



SCOTT P. JOHNSON
Director, Finance

For questions, please contact Walter C. Rossmann, Chief Purchasing Officer, at (408) 535-7051.

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Clerk