



State of New Jersey

DEPARTMENT OF THE TREASURY
DIVISION OF PURCHASE AND PROPERTY
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March 24, 2016

Via Electronic Mail [mkahan@cleantexcare.com] and USPS Regular Mail

Mr. Michael Kahan
Cleantex Laundry
1420 East Linden Avenue
Linden, NJ 07036

RE: Protest of Notice of Intent to Award
RFP #16-X-23960 Laundry Rental Services- Human Service (DHS) & DMAVA

Dear Mr. Kahan:

This correspondence is in response to your letter of protest dated and received January 19, 2016, referencing the subject Request for Proposal (RFP) and regarding the Notice of Intent to Award issued by the Procurement Bureau (Bureau) of the Division of Purchase and Property (Division).¹ On behalf of Cleantex Laundry (Cleantex), you protest the Notice of Intent to Award (NOI) to ACCSES-New Jersey/CNA Services (A-NJ),² alleging, among other things, that A-NJ's proposed pricing was significantly higher than Cleantex and that awarding the subject services to A-NJ will result in the loss of approximately one-hundred jobs in the Urban Enterprise Zones. Cleantex also raises points of protest to disqualify proposals submitted by FDR Services Corp. (FDR) and Ace Linen Services, Inc. (Ace) and requests fair consideration in the award of the contract.

I have reviewed the record of this procurement, including the RFP, the submitted proposals, and relevant statutes, regulations, and case law. This review has provided me with the information necessary to determine the facts of this matter and to render an informed determination on the merits of Cleantex's protest.

I. Background

By way of background, the subject RFP was issued by the Bureau on behalf of the Department of Military and Veterans Affairs (DMAVA) and the Department of Human Services (DHS) to solicit "proposals from vendors of large scale commercial laundries, experienced in the health care laundry

¹ The Division also accepts an email submittal by Mr. Jacob Zahler to the Office of the Governor, Office of Constituent Relations, on January 11, 2016, as a timely letter of protest.

² A-NJ is designated as the State's Central Nonprofit Agency under the Rehabilitation Facilities Set-Aside Act. N.J.S.A. 30:6-17 to -33. Pursuant to N.J.A.C. 10:99-2.4(c) and -3.5, A-NJ shall be awarded a contract if its proposal pricing is within 15% of the fair market price.

business,” to provide a “linen rental service.” RFP §1.1, *Purpose and Intent*. In addition to providing a three-day reserve supply of all linen, processing, and transportation, the successful bidder will provide “an all-inclusive laundry service for personal items” and “laundry rental/cleaning service for flats/rough items” at both DHS and DMAVA facilities. *Ibid.* The subject RFP also solicited pricing for the “production of flat/rough (linen).” *Ibid.* This is a reprourement of services provided under the Laundry Rental Services, NJDHA & DMAVA (T-2304) term contract. RFP §1.2, *Background*. The intent of the RFP is to award a contract to that responsible bidder whose proposal, conforming to the RFP, is most advantageous to the State, price and other factors considered. RFP §1.1, *Purpose and Intent*.

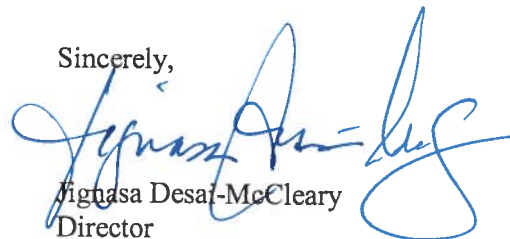
The Bureau received six proposals, including one from protester JVK Operations Limited of New Jersey (JVK), by the revised proposal submission deadline of October 28, 2015, and requested Best and Final Offer pricing (BAFOs) from the responsive bidders. Proposals were then evaluated based on the criteria specified in RFP Section 6.6, *Evaluation Criteria*, including a price consumption model. Although JVK submitted the lowest cost proposal based on the consumption model, the Bureau deemed its proposal non-responsive for failing to include required submittals as mandated by RFP Sections 4.4.3(B) and (C). The next lowest priced proposal was submitted by FDR Services Corp. (FDR); however, A-NJ requested the subject contract be set-aside under the Rehabilitation Facilities Set-Aside Act, N.J.S.A. 30:6-33 et seq., and its proposed pricing was within 15% of FDR’s proposal. Based on the foregoing, the Bureau issued the NOI on January 11, 2016, advising all bidders the procurement would be awarded as a set aside. This protest followed.

II. Challenge of Evaluation of Solicitation

Although Cleantex submits numerous points of protest against the intended award to A-NJ and seeks to deem the proposals submitted by FDR and Ace Linen Services, Inc., non-responsive, I need not reach these arguments. In my final agency decision of the protest submitted by JVK in response to the subject solicitation, I found it necessary to cancel the RFP and reprocur the subject contract. Therefore, Cleantex’s protest is rendered moot and need not be addressed at this time.

The Division appreciates Cleantex’s interest in doing business with the State of New Jersey and I invite you to take this time to register your business with NJSTART, the State’s new eProcurement system.

Sincerely,



Jignasa Desai-McCleary
Director

JD-M:DF

c: G. Olivera
J. Signoretta
P. Slack