



NEWPORT BEACH

City Council Staff Report

May 28, 2024
Agenda Item No. 10

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: Award and Approval of Purchase Agreement with Florence Marine X, LLC for Junior Lifeguard Program Uniforms and Apparel

ABSTRACT:

The Newport Beach Junior Lifeguard Program provides youth ages 9 to 15 with ocean-based safety and skill building, and receives upwards of 1500 participants annually. Junior Lifeguards are required to wear uniforms in accordance with the program's standards; these uniforms are included with the program fee. The city has completed its order for the Summer 2024 season under an existing purchase agreement that expires in September 2024. A new Request For Proposals (RFP) procurement process was issued and Florence Marine X, LLC (Florence) was ranked as the highest rated proposer able to provide a complete set of uniforms and apparel. Staff is requesting award and approval of a new multi-year agreement with Florence.

RECOMMENDATIONS:

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly; and
- b) Approve a Purchase Agreement with Florence Marine X, LLC for Junior Lifeguard Uniform Apparel for a not-to-exceed amount of \$1,816,000, with a two-year initial term with three additional, one-year extensions (for an approximate total five-year term), and authorize the Mayor and City Clerk to execute the agreement.

DISCUSSION:

Program Overview

The Newport Beach Junior Lifeguard Program is a seven week, ocean-based program for youth ages 9 to 15 that centers on ocean skill building, physical fitness, and lifeguarding skills. The program is managed by the Lifeguard Operations Division of the Fire Department and is one of the City's most popular youth-based educational programs.

A key component of the program is the issuance of uniforms and apparel to each participant. Participants are required to wear their uniforms and comply with the established Junior Lifeguard Uniform Standard. The cost of the uniform apparel is included in the program's \$856 participation fee, which includes a backpack, towel, hat, sweatshirt, t-shirt, and board shorts, and a swimsuit for female participants. Additional apparel items are available for participants and their families to purchase at the per-piece price.

Junior Lifeguards engage in a high level of physical activity, such as running, swimming, paddling, and body surfing. Uniform items need to be constructed with quality materials that can endure this high level of activity and withstand the ocean environment throughout the length of the program. Seams, fit, sizing, and coverage are other important considerations when selecting suitable program uniforms.

Procurement Process

In advance of the current agreement's September 2024 expiration, Fire Department staff developed a new Request for Proposals (RFP) solicitation for uniforms and apparel in conjunction with the Finance Department's Purchasing Division. The RFP was publicly posted to the City's online bidding platform (PlanetBids). 109 vendors were automatically notified of the RFP and 44 prospective companies viewed and/or downloaded the RFP documents. Ten firms submitted proposals prior to the January 24, 2024 deadline.

The RFP advised that bidders were encouraged to bid on all items, but that the City could consider using multiple contractors to fulfill the City's needs in the event no single proposer would be able to provide all items.

The City evaluated proposals on the basis of qualifications and experience, the ability to provide products, apparel quality, apparel costs, and a panel interview.

In the first phase, an evaluation panel consisting of Fire Department staff did a technical review of each firm's proposal on their experience, qualifications, and the ability to provide uniform and apparel items. The RFP also called for all proposers to submit product samples to assess the quality and construction of proposed garments.

In accordance with the RFP, only those proposals earning at least 70% on the Technical Evaluation portion advanced to the second phase. In the second phase, Finance Department staff performed an evaluation and comparison of each bidder's proposed uniform and apparel line item costs and assigned each firm with a cost ratio score.

Six firms advanced to the cost review portion. Of the six, three proposers submitted proposals for the fulfillment of the complete uniform order and three proposers submitted proposals for only a partial fulfillment of the uniform order. Staff then interviewed each of the firms, and their technical scores were updated to reflect the results of their interview rankings.

Following the completion of this Technical Evaluation and Cost Review, Florence Marine X, LLC was ranked as the highest rated proposer able to provide a complete uniform complement.

Vendor Name	Score	Rank	Notes
Liberated Brands USA LLC	85.50	1	Only 1 Item
Florence Marine X, LLC	84.74	2	<i>Complete Uniform</i>
O5 BNG, LLC	83.91	3	Partial Uniform
The Levy Group, Inc.	83.50	4	Only 2 Items
Manhattan Stitching Company, Inc.	76.89	5	<i>Complete Uniform</i>
Laird Apparel LLC	72.38	6	<i>Complete Uniform</i>

Florence Marine X, LLC is a manufacturer of high-quality surf-related clothing and merchandise. Although the Florence brand is relatively new to the industry, it was established in 2020 by world champion surfer John John Florence and the Hurley family (of the original Hurley International, LLC brand). Florence currently provides uniforms for the Laguna Beach Junior Lifeguard program, North Shore Lifeguards, and Balboa Bay Club volleyball club.

Responsible manufacturing and sustainable business practices are a core component of their product development and production plan. Most of their products utilize a blend of recycled polyester and recycled organic cotton; they also use Recover™, a system that transforms textile waste straight from the factory floor into high-quality recycled fibers. Florence Marine X, LLC is also a local Newport Beach business, headquartered at 210 62nd Street with a retail location at 6100 West Coast Highway. The firm is capable of producing customized apparel items that meet the needs of the program, and has an in-house graphic design team that will work with City staff in creating the annual Junior Lifeguard graphics.

While the City does not promote any brand and the Florence logo or name is not included in any of the program materials or marketing effort, uniforms may have a small, visible Florence logo and the Florence tag sewn inside.

FISCAL IMPACT:

The Junior Lifeguard program takes place over the summer, which crosses two different fiscal years. Because of this, expenses for the program in a calendar year are charged to a prepaid account and reclassified to the subsequent fiscal year. Therefore, the expenses in year one of this agreement, which are for program year 2025, will be expensed to the Fiscal Year 2025-26 budget. Additional funding of \$150,000 will be built into the Fire Department’s FY 2025-26 budget. The budget increase is due to several factors, including inflation, selected product pricing, and an increase in Junior Lifeguard Program participation.

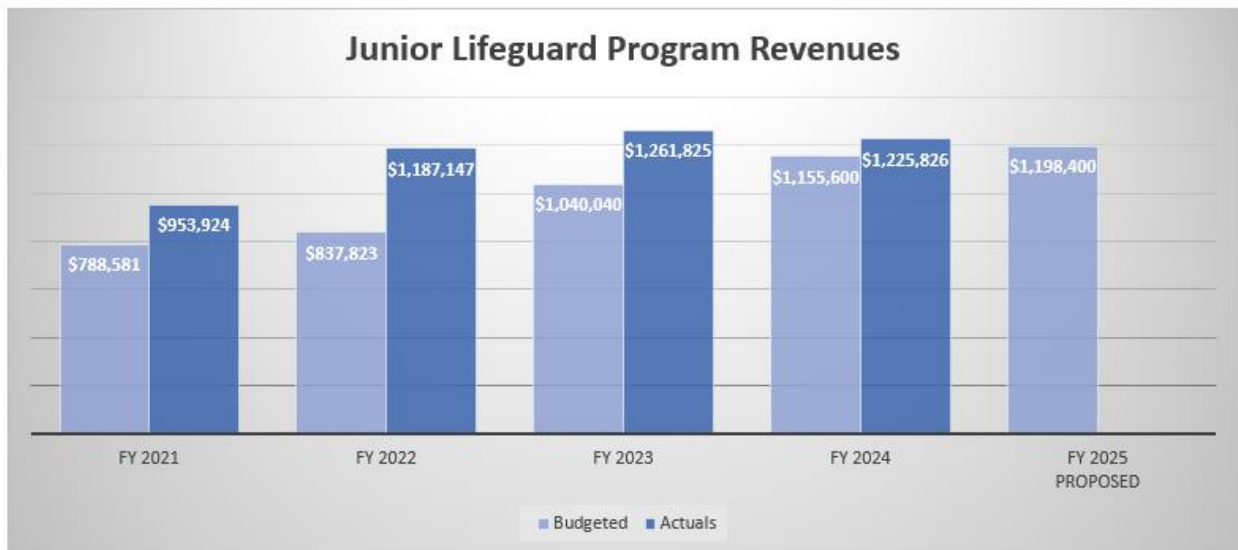
The outgoing agreement has had no adjustments to pricing despite prevailing inflationary trends during the term of the agreement; item prices and the department budget have been reflective of 2019 rates from the vendor.

Due to the rigorous demands of ocean activities (requiring apparel that is durable, functional, and capable of withstanding the harsh marine environment) an RFP method was again used for the procurement process in lieu of a low bid method. The proposed pricing for the incoming agreement provides the apparel needed for the Junior Lifeguard Program activities at current market rates typically seen from a quality manufacturer.

Staff negotiated with Florence on final pricing and contract terms originally detailed in the RFP; the new agreement provides for fixed pricing for the initial 2-year term, with a fixed 3.0% rate increase for each renewal year beginning July 1, 2026.

Program enrollment has seen an approximate 12% increase compared to average program enrollment prior to 2020. This rise in demand reflects the continued growth in popularity and the community's recognition of the importance of the quality ocean safety education provided by the program. This also necessitates an increase in the annual quantity of uniform apparel items ordered.

While this expansion in enrollment necessitates larger uniform orders each year, it has also yielded additional program revenue. In FY21 through FY24, actual revenues have exceeded budget estimates.



The total contract cost of \$1,816,000 assumes an estimated annual order quantity based on current participation rates and unit pricing (as shown in Exhibit A of Attachment A) but is not guaranteed to the vendor. The final order submitted each year to Florence will more closely reflect actual quantities needed for the program year, plus additional units for purchase by participant families and size exchanges.

The contract cost also considers the fixed rate adjustments for each renewal year and all current California sales tax amounts that could be collected. Comparatively, the outgoing five-year agreement has a total compensation amount of \$1,000,000; tax amounts were not calculated into the contract total.

FISCAL YEAR	ANNUAL ORDER ESTIMATE	CA SALES TAX (7.75%)	TOTAL ESTIMATED COST		
2025-26	\$325,110.00	\$25,196.03	\$350,306.03		
2026-27	\$325,110.00	\$25,196.03	\$350,306.03		
2027-28	\$334,863.30	\$25,951.91	\$360,815.21	3.0% CPI	1 st renewal year
2028-29	\$344,909.20	\$26,730.46	\$371,639.66	3.0% CPI	2 nd renewal year
2029-30	\$355,256.47	\$27,532.38	\$382,788.85	3.0% CPI	3 rd renewal year
	\$1,685,248.97	\$130,606.80	\$1,815,855.77		

If approved, the Junior Lifeguard Special Department Supplies Account, 01040405-841015, will be increased from \$197,500 to \$347,500.00 as part of the annual budget process for FY 2025-26. Proposed revenues will also be evaluated and adjusted for FY 2025-26.

ENVIRONMENTAL REVIEW:

Staff recommends the City Council find this project exempt from the California Environmental Quality Act (CEQA) pursuant to Section [insert exemption section number (short description of section)] of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential to have a significant effect on the environment.

NOTICING:

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

ATTACHMENT:

Attachment A – Purchase Agreement with Florence Marine X, LLC