

Report to Civic Works Committee

To: Chair and Members
Civic Works Committee
From: Kelly Scherr, P.Eng., MBA, FEC
Deputy City Manager, Environment & Infrastructure
Subject: SS-2024-106 Supply and Delivery of Traffic Paint
Date: April 30, 2024

Recommendation

That, on the recommendation of the Deputy City Manager, Environment and Infrastructure, the following actions **BE TAKEN** with respect to the supply and delivery of traffic paint:

- (a) That approval hereby **BE GIVEN** to enter a three (3) year contract for the supply and delivery of traffic paint to Sherwin Williams, at the quoted price of \$147,040 per year; it being noted that the pricing was provided through participation in the Elgin/Middlesex/Oxford Purchasing Co-Operative (EMOP) and is therefore a single source purchase as per section 14.4 g) of the Procurement of Goods and Services Policy which states “it is advantageous to the City to acquire the goods or services from a supplier pursuant to the procurement process conducted by another public body”;
- (b) That Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with these contracts;
- (c) Approval hereby given **BE CONDITIONAL** upon the Corporation negotiating satisfactory prices, terms, and conditions with Sherwin Williams to the satisfaction of the Manager of Purchasing and Supply and the Deputy City Manager, Environment & Infrastructure; and,
- (d) Approval hereby given **BE CONDITIONAL** upon the Corporation entering into a formal contract or having a purchase order relating to the subject matter of this approval.

Linkage to the Corporate Strategic Plan

This report supports Council’s Strategic Plan. The recommendations in this report contribute to the Mobility and Transportation Area of Focus by improving the reliability, quality and safety of all modes of mobility. This contract approval also supports Wellbeing and Safety by designing, constructing and operating safer infrastructure.

Analysis

1.0 Background Information

1.1 Purpose

The City of London has a line painting truck that is used to refresh long linear pavement markings as part of an annual program. Crews are also responsible for intersection line markings and all other associated line markings.

The purpose of this report is to approve entry into a contract for the supply of paint for the annual Transportation & Mobility pavement marking program. Middlesex County completed the competitive tender on behalf of the Elgin/Middlesex/Oxford Purchasing Co-Operative (EMOP). Purchasing these types of common materials through EMOP has been a longstanding practice that has provided competitive pricing and economy of scale.

1.2 Previous Reports Related to this Matter

Civic Works Committee – April 20, 2022 – SS-2022-106 Supply and Delivery of Traffic Paint

2.0 Discussion and Considerations

2.1 Background

The City of London's Road Operations team maintains pavement marking and intersection markings on city streets. Paint used in this application is a complex formula and the City of London uses a clear specification to ensure paint procured for street marking provides the best value and longest possible life. The City has a purpose-built vehicle that performs line painting work from early spring to late fall annually. Purchasing and Supply keeps white and yellow road paint in stock to support the line painting team.

Ennis Paint was awarded the Supply and Delivery of Traffic Paint two-year contract in 2022. The contract recommendation in this report will replace that contract.

2.2 Purchasing Process

A competitive bidding process was initiated to re-establish the supply contract. The process was managed by the Elgin Middlesex Oxford Purchasing Cooperative (EMOP) with The County of Middlesex as the calling agency. Sherwin Williams was the sole bidder for the supply and delivery of traffic paint. The submission met the City's terms and conditions in all areas. The bid price represents a 20.4% annual reduction compared to the previous contract. However, it is noteworthy that the 2022 contract price was a 41% increase from the prior pricing.

The Province of Ontario, the City of London and other public sector members will share the benefits of this agreement, but each entity will separately administer their own procurement contracts. Through the use of the EMOP process, the City saves the administrative costs associated with tendering for this commodity and benefits from the costs achieved via the larger quantity EMOP tender. The recommendation to participate in the EMOP solicitation is made in accordance with Section 14.4 g) Single Source of the Procurement of Goods and Services Policy which states: "It is advantageous to the City to acquire the goods or services from a supplier pursuant to the procurement process conducted by another public body".

3.0 Financial Impact/Considerations

3.1 Funding

Funding for this material has been included in operating accounts in the multi-year budget. The forecasted 2024, 2025, and 2026 expenditures are expected to be approximately \$147,040.00, \$153,656.80, and \$161,339.64 respectively, based on normal conditions.

Annual Estimated Traffic Paint Total	Sherwin Williams Submission
2024	\$147,040.00
2025	\$153,656.80
2026	\$161,339.64
Total	\$462,036.44

The results of this tender reflect cost volatility and a general upward trend in material costs.

Conclusion

Maintenance of pavement markings is an important component of transportation infrastructure management. Participation in the EMOP purchasing cooperative provides cost efficiency for the partners. Civic Administration has reviewed the results of the tender bid through the EMOP process and recommends Sherwin Williams as the supplier.

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Submitted by: **Doug MacRae, P.Eng., MPA**
Director Transportation and Mobility

Recommended by: **Kelly Scherr, P.Eng., MBA, FEC,**
Deputy City Manager, Environment and Infrastructure

c: Steve Mollon, Senior Manager, Procurement & Supply
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