

<b>TO:</b>	<b>CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON APRIL 4, 2018</b>
<b>FROM:</b>	<b>KELLY SCHERR, P. ENG., MBA, FEC MANAGING DIRECTOR, ENVIRONMENTAL &amp; ENGINEERING SERVICES AND CITY ENGINEER</b>
<b>SUBJECT:</b>	<b>SINGLE SOURCE 18-08 SUPPLY AND DELIVERY OF TRAFFIC PAINT</b>

<b>RECOMMENDATION</b>
-----------------------

That, on the recommendation of the Managing Director, Environmental & Engineering Services and City Engineer, the following actions **BE TAKEN** with respect to the award of the supply and delivery of glass beads and traffic paint:

- a) That approval hereby **BE GIVEN** to enter into a three (3) year contract for the supply and delivery of traffic paint to Ennis Paint (\$106,782.00), 850 McKay Road, Pickering, Ontario, L1W 2Y4;
- 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 Ennis Paint Canada ULC to the satisfaction of the Manager of Purchasing and Supply and the Managing Director, Environmental & Engineering Services and City Engineer;
- 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.

<b>BACKGROUND</b>
-------------------

**Purchasing Process**

As a result of a competitive bid process through Elgin Middlesex Oxford Purchasing Co-operative (EMOP) with The County of Middlesex as the calling agency, the supply and delivery of traffic paint has been awarded to Ennis Paint Canada ULC. The recommendation to participate is made in accordance with section 14.4 g) Single Sourcing 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”.

The Province of Ontario, the City of London and any 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.

<b>DISCUSSION</b>
-------------------

Ennis Paint Canada ULC was the lower of two bids submitted for the supply and delivery of traffic paint which met the City's terms and conditions in all areas. The low bid price is a 32.5% annual increase over the current contract, as raw material costs for water based paint production have escalated in the past two years.

This contract is for a three (3) year period.

### Traffic Paint

Container	Qty	Ennis Paint Unit Price	Ennis Paint Total	Sherwin Williams Unit Price	Sherwin Williams Total
<b>2018 Traffic Paint</b>					
15 Totes Yellow	15,000	\$2.85	\$42,750.00	\$3.91	\$58,650.00
16 Totes White	16,000	\$2.85	\$45,600.00	\$3.91	\$62,560.00
288 White	\$5,760	\$3.20	\$18,432.00	\$4.23	\$24,364.80
Total			<b>\$106,782.00</b>		\$145,574.80
<b>2019 Traffic Paint</b>					
15 Totes Yellow	15,000	\$3.00	\$45,000.00	\$4.10	\$61,500.00
16 Totes White	16,000	\$3.00	\$48,000.00	\$4.10	\$65,600.00
288 White	\$5,760	\$3.35	\$19,296.00	\$4.44	\$25,574.40
Total			<b>\$112,296.00</b>		\$152,674.40
<b>2020 Traffic Paint</b>					
15 Totes Yellow	15,000	\$3.15	\$47,250.00	\$4.31	\$64,650.00
16 Totes White	16,000	\$3.15	\$50,400.00	\$4.31	\$68,960.00
288 White	5,760	\$3.50	\$20,160.00	\$4.66	\$26,841.60
Total			<b>\$117,810.00</b>		\$160,451.60

### Financial Impact

Funding for the current year has been included in various 2018 operating budgets and will be requested in future operating budget submissions.

The total annual expenditure in 2017 for the supply and delivery of traffic paint is approximately \$80,589.20 (excluding HST). With a 32.5% annual increase, the forecasted 2018 expenditure is expected to be approximately \$106,782.00. The 2019 and 2020 expenditures are expected to be approximately \$112,296.00 and \$117,810.00 respectively.

**Acknowledgements**

This report was prepared by Chris Rinehart, Procurement Specialist, Purchasing and Supply.

<b>SUBMITTED BY:</b>	<b>REVIEWED AND CONCURED BY:</b>
<b>JOHN PARSONS DIVISION MANAGER, TRANSPORTATION AND ROADSIDE OPERATIONS</b>	<b>EDWARD SOLDO, P. ENG DIRECTOR, ROADS &amp;TRANSPORTATION</b>
<b>REVIEWED AND CONCURED BY:</b>	<b>RECOMMENDED BY:</b>
<b>IAN COLLINS, CPA, CMA DIRECTOR, FINANCIAL SERVICES</b>	<b>KELLY SCHERR, P. ENG., MBA, FEC MANAGING DIRECTOR, ENVIRONMENTAL &amp; ENGINEERING SERVICES AND CITY ENGINEER</b>

cc. C. Rinehart, Purchasing Department