

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-2022-106 Supply and Delivery of Traffic Paint

Date: April 20, 2022

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 two (2) year contract for the supply and delivery of traffic paint to Ennis Paint Canada ULC, at the quoted price of \$177,092 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 Ennis Paint Canada ULC 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 the Strategic Plan in the following areas:

- Building a Sustainable City:
 - Infrastructure is built, maintained and operated to meet the long-term needs of our community; and,
 - Growth and development are well planned and sustainable over the long term.
- Leading in Public Service:
 - Exceptional and valued customer service; and,
 - Leader in public service as an employer and a steward of public funds.

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 tender on behalf of the Elgin/Middlesex/Oxford Purchasing Cooperative (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, 2021 – Supply and Delivery of Traffic Paint SS21-17

2.0 Discussion and Considerations

2.1 Background

The City of London's Road Operations team maintains pavement marking and intersection marking 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 three-year contract in 2021. Unfortunately, due to supply chain issues and increased costs, Ennis Paint opted out of the current paint contract after one year which is permitted in the EMOP agreement with sufficient notification.

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. Ennis Paint Canada ULC 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 is a 41% annual increase over the previous contract.

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 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".

3.0 Financial Impact/Considerations

3.1 Funding

Funding for this material has been included in operating accounts in the multi-year budget.

The total annual expenditure in 2021 for the supply and delivery of traffic paint was approximately \$123,562 (excluding HST). With the new tender cost 41% higher than previous, the forecasted 2022 and 2023 expenditures are expected to be approximately \$177,092 and \$186,880 respectively, based on normal operating conditions as follows:

Annual Estimate	Ennis Paint Submission
2022 Traffic Paint Total	\$177,092
2023 Traffic Paint Total	\$186,880
Total	\$363,972

The results of this tender reflect current trends in supply chain disruption and cost escalation for a variety of materials used in operating and capital programs.

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 use of the EMOP process and recommends Ennis Paint Canada ULC as the supplier.

The results of this tender represent a significant increase in the cost of this material due to supply chain constraints and increased material costs. The impact to the Transportation & Mobility annual program will be managed within the current budget allocation. Rapid inflation in material costs associated with infrastructure management will be monitored and will inform the next multi-year budget process.

Prepared by: John Parsons, C.E.T.
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Submitted by: Doug MacRae, P.Eng., MPA
Director, Transportation & Mobility

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

c: John Freeman, Manager, Purchasing and Supply
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