

MEETING DATE: May 14, 2003

SUBJECT: Procurement Authorization - Supply Of Architectural Paint

RECOMMENDATION

It is recommended that the Commission authorize the award of a contract to ICI Canada Inc. (Glidden), in the upset limit amount of \$530,000 for the supply of architectural paint for the contract period June 1, 2003 to May 31, 2006.

FUNDING

Sufficient funds are allocated in the TTC's 2003 Operating Budget to cover the expenditures for this year. Adequate provision will be made in future years' Operating Budgets to cover expenses up to and including the year 2006.

BACKGROUND

The Commission has a continuing need for the supply of various types of architectural paints to meet its ongoing building maintenance program. This contract guarantees the supply of architectural paints and associated paint products, on an as-required basis, to meet our operating needs.

DISCUSSION

Specifications were prepared for the supply of architectural paints. An advertisement was placed on the Commission's Web Site on February 10, 2003 and a total of 11 companies were invited to submit proposals. Five of these companies submitted proposals as summarized in Appendix "A".

The Request for Proposal covers the estimated requirements of the Commission's Paint Section over a three-year term. In order to capture pricing for items that will be purchased under this contract, proponents were required to submit pricing information for the following:

Proponents were requested to provide pricing, firm for three years, on a list of 108 standard items, which included specific Canadian paint codes with specified quantities. The shopping basket is estimated to represent approximately 75% of expenditures. The

proponents were not required to submit pricing on all the shopping basket items in order to be considered.

Proponents were required to submit a mark-up, firm for three years, for one-time and incidental purchases, which would account for approximately 20% of the expenditures.

Proponents were also required to provide a labour rate for the repair of "Graco" spray machine parts that would remain firm for three years, which would account for approximately 5% of expenditures.

In addition, proponents were required to confirm that they could provide the following services; delivery of material within 24 hours of notification for rush requests, a dedicated outside and inside sales representative, no minimum dollar limit orders, an electrically powered paint-tinting machining and the supply and delivery of Graco spray machine parts.

ICI Canada Inc. (Glidden) submitted the lowest overall evaluated proposal and confirmed that they can provide all of the specified services and did not state any exceptions or qualifications. ICI Canada Inc. (Glidden) provided pricing for 105 of the 108 shopping basket items and all of the other pricing requested. Staff evaluated and added the estimated cost for the three items not priced in ICI Canada Inc.'s (Glidden) total proposal price and ICI Canada Inc. (Glidden) was still the lowest evaluated submission. This evaluation of the cost for the three items was based on the average pricing from the other bidders (approximately \$15,000). Staff recommends that the three shopping basket items not priced be procured separately.

ICI Canada Inc.'s (Glidden) submission is considered acceptable and they are recommended for award in the upset limit of \$530,000.

Staff conducted a comparison between the pricing of the current contract and the pricing in the new proposal for a sampling of 51 items, which represents approximately 85% of the total value. Based on this analysis, the new pricing offered by ICI Canada Inc. (Glidden) is approximately 5% lower than the current pricing. The price comparison of ICI Canada Inc.'s (Glidden) proposal for Year 2 pricing versus Year 1 represents an approximate 2% increase and an approximate 3% increase from Year 3 to Year 2.

All of the remaining submissions did not take any exceptions or qualifications, but were higher priced.

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JUSTIFICATION

This contract is necessary to ensure a continuing supply of architectural paint and associated paint products required for ongoing building maintenance.

April 21, 2003

6-75-101

Attachment: Appendix "A"

**PROCUREMENT AUTHORIZATION –
SUPPLY OF ARCHITECTURAL PAINT**

PROPOSAL SUMMARY

COMPANY	NUMBER OF SHOPPING BASKET ITEMS PRICED	TOTAL PROPOSAL PRICE
ICI Canada Inc. (Glidden)	105	\$529,377.89 *
Sico Paints	107	\$597,249.68
PPG Canada	108	\$598,405.66
Sherwin Williams	108	\$605,501.26
Pro Glo	97	\$809,816.19

* Recommended for award.