
**TORONTO TRANSIT COMMISSION
REPORT NO.**

MEETING DATE: August 30, 2006

SUBJECT: Procurement Authorization – Supply Of Architectural Paint

RECOMMENDATION

It is recommended that the Commission authorize acceptance of the proposal submitted by ICI Canada / Glidden Paints (Glidden), in the upset limit amount of \$500,000.00, for the supply of architectural paint for the contract period September 1, 2006 to August 31, 2009.

FUNDING

Sufficient funds for this expense have been provided for in the TTC 2006 Operating Budget and will be included in future budgets as required.

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 May 23, 2006 and a total of 11 companies were invited to submit proposals. Seven of these companies submitted proposals as summarized in the attached Appendix 'A'.

The Request for Proposal covers the estimated requirements of the Commission's Paint Section with an estimated total upset limit of \$500,000.00. In order to capture pricing for items that will be purchased under this contract, proponents were required to submit pricing information for the following:

Price Schedule 1 - Supply of Paint and Price Schedule 2 – Supply of Sundries and Associated Paint Products: Proponents were required to provide pricing, firm for three years, on a list of 102 standard items. Proponents were also required to submit pricing on a minimum of approximately 90% of the items in both Price Schedules, whose value must represent approximately 90% of the estimated value of each Price Schedule. This list of items is estimated to represent 75% of the expenditures.

Price Schedule 3 – Cost Plus Factor: in order to capture pricing for items that are not included in either Price Schedule 1 or 2, Proponents were required to submit a percentage mark up that would be applied to the Contractor's cost. The cost plus factor will remain firm for the term of the Contract. These one-time and incidental buys are estimated to represent 20% of the expenditures.

Price Schedule 4 – Repair of Graco Spray Parts: From time to time over the term of the Contract, Graco spray parts (owned by TTC), will require repair. In order to determine Contract pricing for the repair of Graco parts, Proponents were required to submit an hourly labour rate (based on approximately 450 hours over the three year term of the Contract). The hourly labour rate shall remain firm for the term of the Contract. The value of this service is estimated to represent 5% of the expenditures.

Proponents were also required to provide: next business day delivery for the items identified in the Price Schedules, 50 colour charts/fans, two hard copy colour formulation tint books, one universal tinting machine for the life of the contract, TTC Custom Catalogues in binders showing all items in the Price Schedule, and a technical service and support representative.

ICI Canada / Glidden Paints (Glidden) submitted the lowest overall evaluated proposal. They provided pricing on all but one of the items in the Price Schedules and provided the cost plus factor and the labour rate for the repair of Graco spray machines. The value of the one item not quoted is estimated to be valued at less than \$50.00 over the three year term of the contract. Glidden is the current vendor and their performance is satisfactory. Their proposal did not state any exceptions or qualifications and are considered commercially acceptable. Glidden is recommended for award of the contract.

Sherwin Williams Paint Company, PPG Canada Inc., General Paint Corp., and Ontario Paint and Wallpaper Ltd., submitted the 2nd, 3rd, 5th and 6th ranked overall evaluated proposals. Each proponent bid on 100% of the items included in Price Schedules 1 and 2, and each proponent submitted a cost plus factor and an hourly rate. None of these proponents stated any exceptions or qualifications but were not considered further due to their higher pricing.

Pro Glo Paints submitted the 4th lowest total evaluated price. However, they failed to submit the cost plus factor and an hourly rate. As this is a submission requirement, Pro Glo Paints' submission is considered commercially non compliant and was not considered further.

New Canadians Lumber and Plumbing Supplies submitted the highest total evaluated price. However, they did not quote on four of the items included in Price Schedules 1 and 2. They did however submit a cost plus factor and an hourly rate, and did not state any exceptions or qualification. Their submission was not considered further due to their higher pricing.

The price submitted by Glidden for the first year of the contract is less than 1% higher than the current contract pricing, for similar items. The price comparison of Glidden's proposal for year 2 versus year 1 represents an approximate 4% increase and an approximate 4% increase from year 3 to year 2.

The recommended upset limit amount includes a contingency of approximately 5%. Staff are of the opinion that the estimated quantities for this requirement are expected to closely reflect actual usage, therefore, a contingency of 5% is sufficient.

JUSTIFICATION

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

August 8, 2006

6-75-101

Attachment: Appendix "A"

**PROCUREMENT AUTHORIZATION –
SUPPLY OF ARCHITECTURAL PAINT
PROPOSAL NO. P08AE6109**

PROPOSAL SUMMARY

COMPANY	TOTAL PROPOSAL PRICE
ICI Canada Inc. *	\$480,122.67
Sherwin Williams	\$495,279.38
PPG Canada	\$517,975.35
Pro Glo **	\$576,384.46
General	\$578,396.07
Ontario Paint and Wallpaper	\$614,828.74
New Canadians	\$635,159.01

* Recommend for Award

** Commercially Non-compliant

Plant Maintenance Department
August 8, 2006