

City of Mississauga  
**Corporate Report**



<p>Date: March 5, 2024</p> <p>To: Chair and Members of General Committee</p>	<p>Originator's files:</p>
<p>From: Geoff Wright, P.Eng, MBA, Commissioner of Transportation and Works</p>	<p>Meeting date: March 27, 2024</p>

## Subject

Single Source Contract Award with TCS Coatings Inc. for the MiWay Bus Colour Consolidation Project (Blue to Orange Buses)

## Recommendation

That the Chief Procurement Officer or designate be authorized to award and execute, on behalf of the City, a contract with TCS Coatings Inc. and related ancillary agreements, all in a form satisfactory to Legal Services, for the supply and delivery of isocyanate free low VOC (Volatile Organic Compounds) paints in the amount of \$120,000.00, exclusive of taxes, for a term of two (2) years.

## Executive Summary

- MiWay utilizes isocyanate free, low VOC bus paint on its fleet and due to recent market conditions, has experienced difficulty in sourcing the qualified paints competitively.
- This report seeks Council authority to authorize the Chief Procurement Officer or Designate to negotiate and execute a contract with TCS Coatings Inc. to supply bus paint on a single source basis to support the MiWay Bus Colour Consolidation Project.
- The necessary operating budget required to support the project has been incorporated in the City's business planning process.

## Background

MiWay has utilized isocyanate free, low VOC paint on its bus fleet for over a decade. TCS Coatings Inc. has been one of the spot buy vendors for bus paints and related products since 2011. In 2022, when the City faced supply challenges, a competitive RFQ (PRC003495) was conducted for paint products and only TCS Coatings Inc. products were qualified.

On June 27, 2023 Council received a memo entitled MiWay Brand Consolidation – Bus Colour Changes that outlined a plan to streamline the bus fleet with only orange buses to support a number of operational and customer service objectives.

To implement the change to the bus fleet, 94 existing blue buses will be painted orange over a two year period. The paint job will be done in house by the MiWay Body Shop team; however, the paint supply needs to be sourced and firmed for budget consideration.

## Present Status

A competitive high value acquisition, RFT (PRC004280), was conducted in December 2023 for the orange color consolidation project with no bid submissions received. TCS Coatings Inc. was expediting all avenues to source the necessary raw materials required however at that time, as raw materials were unavailable, chose not to bid. Similarly, other vendors had various issues in sourcing supply and also chose not to bid. Subsequently, raw materials have now become available and TCS Coatings Inc. is the only supplier that has provided a budgetary quote of approximately \$120,000 (Ref. Appendix A – TCS Coatings Inc. Quotation).

MiWay utilizes isocyanate free, low VOC paint which is more health and environmentally friendly. Other public agencies either continue to use isocyanate contained, low VOC paints or have outsourced bus paint work. There are limited vendors who can provide isocyanate free paints in the market or have the time/capacity/willingness to secure enough raw materials and prove that their products are compliant.

## Comments

TCS Coatings Inc. has been supplying paint products to MiWay for over a decade with reliable quality and services. Two competitive bid processes (RFQ-PRC003495 and RFT-PRC004280) were conducted in 2022 and 2023 respectively. TCS Coatings Inc. was the only bidder to provide a qualified bid.

In the interest of providing Isocyanate free paint, proceeding with a single source contract for the paint products to TCS Coatings Inc. is requested. Not only is the paint product more health and environmentally friendly, award of this contract will help to improve project rollout timelines with product quality.

This contract is considered a Single Source procurement as defined in the Procurement By-law 0013-2022. This contract meets the following criteria in Procurement By-law 0013-2022, Schedule A:

- (1) (b) There is a scarcity of supply in the market; and (d) No Bids were submitted.

In addition, the Procurement By-law 0013-2022, Schedule B, further requires Council authority to award single source contracts having a value of \$100,000 or more.

## Financial Impact

There are no financial impacts resulting from the recommendations in this report.

The cost of the bus colour change from blue to orange is \$120,000 (excluding taxes) and will be completed over a two-year period as per the recommendations in this report. The 2024 estimated cost of \$60,000 is available in account 715354, cost centre 23619 – Transit Maintenance Body Shop and the 2025 estimated cost of \$60,000 will be subject to annual budget approval.

## Conclusion

MiWay will be streamlining the bus fleet over a two year period and will paint 94 blue buses orange to support a number of operational and customer service objectives. This report seeks Council approval for a Single Source Contract Award to TCS Coatings Inc. for the supply and delivery of isocyanate free, low VOC paints in the estimated amount of \$120,000 (excluding taxes) for a two year period.

## Attachments

Appendix 1: TCS Coatings Inc. Quotation



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Geoff Wright, P.Eng, MBA, Commissioner of Transportation and Works

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