

# City of Mississauga Corporate Report



Date: September 3, 2020  To: Chair and Members of General Committee	Originator's files:
From: Geoff Wright, P.Eng, MBA, Commissioner of Transportation and Works	Meeting date: September 23, 2020

## Subject

**Single Source Contract Award for the Supply and Delivery of 3M Canada Sign Sheeting Materials (PRC004729)**

## Recommendation

1. That 3M Canada be re-established as a single source vendor for the supply and delivery of sign sheeting materials used in high performance traffic sign fabrication for the period from September 30, 2020 to December 31, 2025 as outlined in the report from the Commissioner of Transportation and Works, dated September 3rd, 2020 and entitled "*Single Source Contract Award for the Supply and Delivery of 3M Canada Sign Sheeting Materials (PRC004729)*".
2. That the Purchasing Agent be authorized to execute the appropriate forms of commitment to 3M Canada, as required, for which funding is approved for the period from September 30, 2020 to December 31, 2025.

## Background

The Signs and Pavement Markings Unit in the Works Operations and Maintenance Division, Transportation and Works Department purchases high performance 3M products directly from 3M Canada for use in traffic sign fabrication. The products purchased include vinyl, laminate, transfer tape and reflective sheeting materials that provide for bright and visible signs. The use of these materials allows the Signs and Pavement Markings Unit to manufacture traffic related signs of the highest quality that experience limited degradation from sunlight and other environmental factors.

It is a requirement of the City that all reflective sheeting meet a 36-month accelerated durability test to ensure that the product can perform and withstand the Canadian climate for an extended period of time. 3M Canada's sheeting products meet and exceed the Ministry of Transportation Ontario (MTO) standards for sign retro-reflectivity.

3M Canada recognizes the City's Signs and Pavement Markings Unit as a certified sign fabricator, thus allowing the City to purchase materials directly from 3M Canada and thereby avoiding higher prices from third party distributors.

Sign sheeting materials are available from a limited number of suppliers throughout the Greater Toronto Area. However, such materials have been tested by the Signs and Pavement Markings Unit and have been found to be unsatisfactory for high performance traffic sign applications based on durability and workability. The issues are related to quality of adhesive material and premature fading. Such materials are utilized in other lower grade sign applications like those used for temporary conditions and for signage produced and installed inside of City facilities.

## Comments

Throughout the year, the Signs and Pavement Markings Unit orders sign sheeting materials, as required, in order to fabricate high performance traffic signs for use throughout the City. The sheeting material required to manufacture these signs must adhere to MTO standards for retro-reflectivity and will be required for the foreseeable future. Appendix 1: Scope of Work document is attached for reference, and outlines the materials that are purchased on a regular basis from 3M Canada.

In an effort to manage daily operations efficiently, and to reduce inventory costs, the Signs and Pavement Markings Unit operates under a "just in time" delivery system. To that end, the City relies on a stable supply of standard sign sheeting materials to be made available within a maximum of 10 days from placing orders.

The Signs and Pavement Markings Unit operational needs calls for sheeting material that has been used in the Canadian climate for a period not less than five years as an acceptable and reasonable performance history. Furthermore, the City of Mississauga requires suppliers to test, and meet the National Transportation Product Evaluation Program (NTPEP) 36-month testing requirements.

The high performance materials provided by 3M Canada meet all MTO standards and requirements of the Signs and Pavement Markings Unit with respect to durability and workability. Staff have reviewed the market and found that no other vendor provides materials that meet both of these requirements.

Therefore, it is recommended that 3M Canada be re-established as a single source vendor for the supply and delivery of vinyl, laminate, transfer tape and reflective sheeting materials. Acceptable pricing for the sign sheeting materials are to be negotiated annually by the City through Materiel Management for a five year contract period.

The single source contract award recommendation in this report is made in accordance with Schedule A of the Purchasing By-law #374-2006 item 1(a)(iv) which states that the complete item, service, or system is unique to one vendor and no alternative or substitute exists within

Canada. Single source contract awards having a value of \$100,000.00 or more require Council approval.

The Comprehensive Economic and Trade Agreement (CETA) between Canada and the European Union (EU) and the Canadian Free Trade Agreement (CFTA) both came into effect in September 2017. CETA is the first international trade agreement in which municipal procurement is covered. The objectives of the government procurement obligations within these trade agreements are to ensure fairness and increase competition. The threshold for municipalities for goods and services is \$238,000 under CETA and \$100,000 under CFTA. Not conducting a competitive procurement processes presents the risk of a challenge under CETA/CFTA. However, the likelihood of a European supplier bidding for the supply and delivery of sign fabrication materials in Mississauga is very low. Since CETA came into effect no European bidders have requested bidding documents or submitted bids to the City.

## Financial Impact

An annual allocated upset limit of \$95,000 will be required over the course of the five year period for a total of \$475,000.

There are no financial impacts resulting from the recommendations in this report. Funds for this purpose are available from operating account 715801 and cost center 23978, which has an annual budget of \$300,000.

## Conclusion

The Signs and Pavement Markings Unit in the Works Operations and Maintenance Division, Transportation and Works Department, purchases materials from 3M Canada for use in sign fabrication and will require these materials for the foreseeable future, as single source procurement.

It is therefore recommended that 3M Canada be established as single source vendor for the supply and delivery of sign sheeting materials for the period from September 30, 2020 to December 31, 2025. In addition, it is recommended that the Purchasing Agent be authorized to execute the appropriate forms of commitment to 3M Canada, as required, for which funding is approved for the five year period.

## Attachments

Appendix 1: Scope of Work

A handwritten signature in black ink, appearing to read 'G Wright', with a long horizontal flourish extending to the right.

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

Prepared by: Jerry Pinchak, Supervisor, Signs and Pavement Markings