

## **Amendment to Blanket Contracts 47025041 and 47025092 to Carson Electric (1991) Limited o/a Anronn Electric Motor Repair for Repair and Maintenance Services of Pumps and Motors**

**Date:** June 2, 2025

**To:** General Government Committee

**From:** Executive Director, Corporate Real Estate Management, General Manager, Parks and Recreation, and the Chief Procurement Officer

**Wards:** All

### **SUMMARY**

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The purpose of this report is to request authority to amend Blanket Contract 47025041 for Corporate Real Estate Management and Blanket Contract 47025092 for Parks and Recreation issued to Carson Electric (1991) Limited o/a Anronn Electric Motor Repair, a Canadian owned and operated company. This amendment is required to ensure the continuity of the non-exclusive provision of repair and maintenance services for electrically powered pumps and motors across City of Toronto facilities. The request is to increase the current target value of two blanket contracts by \$2,204,231 net of all taxes and charges (\$2,243,025 net of Harmonized Sales Tax recoveries).

The original contract, awarded in 2023, was based on equipment usage estimates that reflected reduced building occupancy during the COVID-19 pandemic. However, post-pandemic building occupancy has increased significantly, resulting in similarly increased equipment usage leading to more repairs and failures than those estimated in the contract. Further more, the implementation of a preventative maintenance program on additional equipment -which will result in fewer repairs and replacements on the same equipment in the future- coupled with higher than anticipated increases in the cost of replacement parts, Corporate Real Estate Management and Parks and Recreation are requesting contract value increases to support ongoing operational continuity for the remainder of the current contract.

A new competitive solicitation for the maintenance and repair of pumps and motors for Corporate Real Estate Management and Parks and Recreation will be issued, and a resultant contract is expected to be in place by July 2026. There are no plans to exercise the two remaining option terms on the current contract.

## RECOMMENDATIONS

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The Executive Director, Corporate Real Estate Management, General Manager, Parks and Recreation, and Chief Procurement Officer recommend that:

1. The General Government Committee, in accordance with Section 71-11.1C of the City of Toronto Municipal Code Chapter 71 (Financial Control By-law), grant authority to the Executive Director, Corporate Real Estate Management, to amend Blanket Contract Number 47025041 with Carson Electric (1991) Limited o/a Anronn Electric Motor Repair for Repair and Maintenance Services of Pumps and Motors, increasing the contract value by \$1,554,231 net of all taxes and charges (\$1,581,585 net of Harmonized Sales Tax recoveries), revising the current contract value from \$2,153,497 net of all taxes and charges (\$2,191,399 net of Harmonized Sales Tax recoveries) to \$3,707,728 net of all taxes and charges (\$3,772,984 net of Harmonized Sales Tax recoveries).
2. The General Government Committee, in accordance with Section 71- 11.1C of the City of Toronto Municipal Code Chapter 71 (Financial Control By-law), grant authority to the General Manager, Parks and Recreation, to amend Blanket Contract Number 47025092 with Carson Electric (1991) Limited o/a Anronn Electric Motor Repair for Repair and Maintenance Services of Pumps and Motors, increasing the contract value by \$650,000 net of all taxes and charges (\$661,440 net of Harmonized Sales Tax recoveries), revising the current contract value from \$739,017 net of all taxes and charges (\$752,024 net of Harmonized Sales Tax recoveries) to \$1,389,017 net of all taxes and charges (\$1,413,464 net of Harmonized Sales Tax recoveries).

## FINANCIAL IMPACT

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The total value of the contract amendments identified in this report is \$2,204,231 net of all taxes and charges (\$2,243,025 net of Harmonized Sales Tax recoveries). This revises the Corporate Real Estate Management contract value from \$2,153,497 net of all taxes and charges (\$2,191,399 net of Harmonized Sales Tax recoveries) to \$3,707,728 net of all taxes and charges (\$3,772,984 net of Harmonized Sales Tax recoveries) and the Parks and Recreation contract value from \$739,017 net of all taxes and charges (\$752,024 net of Harmonized Sales Tax recoveries) to \$1,389,017 net of all taxes and charges (\$1,413,464 net of Harmonized Sales Tax recoveries).

Funding for the requested contract amendment is included in Corporate Real Estate Management's and Parks and Recreation's 2025 Operating Budgets and additional funding will be included in their 2026 Operating Budget Submissions, reflected in Table 1 below.

Table 1 - Financial Impact Summary (Net of Harmonized Sales Tax recoveries)

<b>Division</b>	<b>Contract Number</b>	<b>Cost Centre and GL Code</b>	<b>Current Contract Value (as of April 2025)</b>	<b>Amendment to Contract (April 1, 2025 to December 31, 2025)</b>	<b>Amendment to Contract (January 1, 2026 to June 30, 2026)</b>	<b>Total New Contract Value (Including Additional Funds)</b>
Corporate Real Estate Management	47025041	FA100-30; 4410	\$2,191,399	\$824,867	\$756,718	\$3,772,984
Parks and Recreation	47025092	P08627, P12783, P00853, P00859, P03651, P12081, P06885, 3099, 2710, 2535, 4410	\$752,024	\$330,720	\$330,720	\$1,413,464

The Chief Financial Officer and Treasurer have reviewed this report and agree with the financial implications identified in the Financial Impact section.

## **DECISION HISTORY**

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At its meeting on June 7, 2023, the Bid Award Panel adopted item BA30.5, "Award of Ariba Document Number 3866496418 to Carson Electric (1991) Limited/Anronn Electric for the Non-Exclusive Provision of Repair and Maintenance Services for Pumps and Motors for Select City of Toronto Divisions", granting authority to award three (3) separate Blanket Contracts to Carson Electric (1991) Limited for a three (3)-year term starting July 1, 2023 to June 30, 2026, with the option to renew the contracts for additional two (2) separate one (1)-year terms.

[Agenda Item History - 2023.BA30.5](#)

## **COMMENTS**

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### **Background**

In 2023, Carson Electric (1991) Limited o/a Anronn Electric was awarded Blanket Contract 47025041, for Corporate Real Estate Management and Blanket Contract

47025092, for Parks and Recreation to provide the non-exclusive provision of repair and maintenance services for pumps and motors to select City of Toronto Divisions. These blanket contracts encompass a base term of three years with the option to renew the contracts for an additional two, one-year terms.

#### *Corporate Real Estate Management's Blanket Contract 4702504*

The contracted scope of work includes a comprehensive maintenance program and required repairs for electric pumps and motors in CREM managed facilities (i.e. sewage pumps, storm water pumps, sump pumps, etc.). Since the contract was initially awarded, Corporate Real Estate Management has expanded its maintenance program to now includes 35% more pumps and motors (equipment) than previously maintained with the intent to extend asset life, reduce long-term repair needs, and improve overall performance and uptime. Corporate Real Estate Management has also incurred a higher-than-expected increase in required repairs coinciding with increased post-COVID-19 pandemic equipment usage and operational load during the contract term, as the equipment is running longer and harder than it was during the reduced building occupancy period between 2020 and contract execution in 2023. The unanticipated increase in equipment usage and repairs resulted in the need to amend Blanket Contract 47025041 to ensure sufficient contract value to maintain business continuity.

#### *Parks and Recreation Blanket Contract 47025092*

In recent months, multiple sump pumps located in Parks and Recreation community center basements have failed due to historic rainfall levels that overwhelmed these critical systems. Additionally, several City-operated outdoor pools and ornamental fountains require full pump replacements, as the necessary replacement parts are obsolete and no longer supported by manufacturers. With increasing market uncertainty, the cost of procuring and replacing pumps is expected to rise. The unanticipated increase in equipment replacement and anticipated cost increases resulted in the need to amend Blanket Contract 47025092 to offset potential cost increases and ensure continued service delivery.

### **Blanket Contract Amendment Request**

Although the contract values for CREM's Blanket Contract 47025041 and P&R's Blanket Contract 47025092 with Carson Electric (1991) Limited o/a Anronn Electric Motor Repair were previously amended, additional contract amendments are required to support the continued maintenance of pumps and motors for the remainder of the current base contract term. In consideration of the above factors, Corporate Real Estate Management, Parks and Recreation, and Purchasing and Materials Management are requesting authority to amend the two existing contracts awarded to Carson Electric (1991) Limited o/a Anronn Electric Motor Repair. The proposed amendments would increase the current target value of two blanket contracts by \$2,204,231 net of all taxes and charges (\$2,243,025 net of Harmonized Sales Tax recoveries).

Specifically, the request includes increasing Corporate Real Estate Management's Blanket Contract 47025041 by \$1,554,231 net of all taxes and charges (\$1,581,585 net of Harmonized Sales Tax recoveries) from \$2,153,497 net of all taxes and charges

(\$2,191,399 net of Harmonized Sales Tax recoveries) to a revised total of \$3,707,728 net of all taxes and charges (\$3,772,984 net of Harmonized Sales Tax recoveries). In addition, the Parks and Recreation Blanket Contract 47025092 would be increased by \$650,000 net of all taxes and charges (\$661,440 net of Harmonized Sales Tax recoveries), from \$739,017 net of all taxes and charges (\$752,024 net of Harmonized Sales Tax recoveries) to \$1,389,017 net of all taxes and charges (\$1,413,464 net of Harmonized Sales Tax recoveries).

## **Conclusion**

With increasing market uncertainty, the cost of procuring and replacing pumps is expected to rise. Corporate Real Estate Management is working to reduce repairs by aligning State of Good Repair capital work through the life cycle asset management plans. A new competitive solicitation for the maintenance and repair of pumps and motors for Corporate Real Estate Management and Parks and Recreation will be issued, and a resultant contract is expected to be in place by July 2026. There are no plans to exercise the remaining two option terms on the current contract.

## **CONTACT**

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Jeff Downs, Acting Director, Business Management, Corporate Real Estate Management Division, 416-392-3581, [Jeff.Downs@toronto.ca](mailto:Jeff.Downs@toronto.ca)

Donna Kovachis, Director, Parks and Recreation Division, 416-392-7911, [Donna.Kovachis@toronto.ca](mailto:Donna.Kovachis@toronto.ca)

Marianne Gonzalez Angulo, Acting Manager, Purchasing Client Services, Purchasing and Materials Management Division, 416-338-3109, [Marianne.GonzalezAngulo@toronto.ca](mailto:Marianne.GonzalezAngulo@toronto.ca)

## **SIGNATURE**

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Patrick Matozzo  
Executive Director, Corporate Real Estate Management

Howie Dayton  
General Manager, Parks and Recreation

Geneviève Sharkey  
Chief Procurement Officer