

## **Non-Competitive Contracts with Various Suppliers for the Supply of Proprietary Parts and Maintenance Services at Water and Wastewater Treatment Plants for Toronto Water**

**Date:** April 27, 2026

**To:** General Government Committee

**From:** General Manager, Toronto Water and Chief Procurement Officer

**Wards:** All

### **SUMMARY**

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The purpose of this report is to request City Council authority to enter into five (5) separate non-competitive contracts with the suppliers noted below for the supply of proprietary parts and maintenance services required at various water treatment and wastewater facilities. The initial term of the contracts will be from the date of issuance to December 31, 2026, with the option to extend each contract for up to four (4) separate one (1) year periods, at the sole discretion of the City and subject to budget approvals, for the total amount of \$7,085,485, net of all applicable taxes and charges (\$7,210,190 net of HST recoveries).

A non-competitive procurement is required for the following suppliers: Toromont Power Systems, KSB Pumps Inc. (Canada), APGN Inc., John Brooks Company Limited, and Devine & Associates Limited. The equipment, parts, and related services provided by these suppliers are highly specialized and proprietary because each supplier is the sole manufacturer or authorized distributor.

Non-competitive procurements may be undertaken where both the proposed procurement and supplier can be justified in good faith based on an exception set out in Toronto Municipal Code Chapter 195, Procurement. These procurements will be proceeding under the exception related to Exclusive Rights, where the existence of exclusive rights such as patent, copyright, licence or warranty exists and the City has determined in good faith that both the proposed procurements and the selected suppliers, along with the terms and conditions of the contract, are beneficial to the City (Toronto Municipal Code, Chapter 195, Procurement, Section 7.1.C).

City Council approval is required in accordance with Toronto Municipal Code Chapter 195-Procurement, where the current request exceeds the Chief Procurement Officer's authority of the cumulative five-year commitment for each supplier under Article 7, Non-competitive Contracts with Various Suppliers for Proprietary Parts and Maintenance Services for Toronto Water

Section 195-7.3 (D) of the Procurement By-Law or exceeds the threshold of \$500,000 net of HST allowed under staff authority as per Toronto Municipal Code Chapter 71, Financial Control, Section 71-11.A.

## **RECOMMENDATION**

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The General Manager, Toronto Water, and the Chief Procurement Officer recommend that:

1. City Council authorize the General Manager, Toronto Water to negotiate and enter into non-competitive contracts with the suppliers listed below on terms and conditions satisfactory to the General Manager, Toronto Water and in a form satisfactory to the City Solicitor, for a period from date of issuance to December 31, 2026, with the option to extend each contract for up to four (4) separate one (1) year periods at the sole discretion of the City and subject to budget approval(s), on the condition that the vendors continue to be the manufacturers or are exclusive distributors for the goods and services, with the total estimated amount of these non-competitive contracts is \$7,085,485 net of all applicable taxes and charges (\$7,210,190 net of HST recoveries), and with the Non-Competitive Contracts as follows:

a) Toromont Power Systems with the maximum contract price of \$2,654,568 net of all applicable taxes and charges (\$2,701,288 net of HST recoveries);

b) KSB Pumps Inc. (Canada) with the maximum contract price of \$1,592,741 net of all applicable taxes and charges (\$1,620,773 net of HST recoveries);

c) APGN Inc. with the maximum contract price of \$1,150,000 net of all applicable taxes and charges (\$1,170,240 net of HST recoveries);

d) John Brooks Company Limited. with the maximum contract price of \$1,141,464 net of all applicable taxes and charges (\$1,161,554 net of HST recoveries); and

e) Devine & Associates Limited with the maximum contract price of \$546,713 net of all applicable taxes and charges (\$556,335 net of HST recoveries).

## **FINANCIAL IMPACT**

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The total potential contract values identified in this report are \$7,085,485, net of all taxes and charges (\$7,210,190 net of HST recoveries).

Funding for the initial term of contracts is included in the 2026 Operating Budget for Toronto Water. Funding for up to four (4) additional and separate one (1) year periods, should the option to renew be exercised will be included in 2027 -2030 Operating Budget submissions for Toronto Water. Additional funding details are provided in Tables 1 and 2:

**Table 1: Financial Impact Summary of Recommended Contracts (Net of HST Recoveries)**

Cost Centre	Cost Element	Year	Initial Contract Period	Option Year Periods	Total
TW2060 TW4022 TW4036 TW4070 TW4085 TW4105	5050046 5020133	2026	\$1,378,179		\$1,378,179
		2027		\$1,409,165	\$1,409,165
		2028		\$1,441,080	\$1,441,080
		2029		\$1,473,953	\$1,473,953
		2030		\$1,507,812	\$1,507,812
<b>Total</b>					<b>\$7,210,190</b>

**Table 2: Summary of Recommended Contracts by Supplier (Net of HST Recoveries)**

Supplier	2026	2027	2028	2029	2030	Total
Toromont Power Systems	\$508,800	\$524,064	\$539,786	\$555,979	\$572,659	\$2,701,288
KSB Pumps Inc.	\$305,280	\$314,438	\$323,872	\$333,588	\$343,595	\$1,620,773
APGN Inc.	\$234,048	\$234,048	\$234,048	\$234,048	\$234,048	\$1,170,240
John Brooks Company Limited	\$218,784	\$225,348	\$232,108	\$239,071	\$246,243	\$1,161,554
Devine & Associates Limited	\$111,267	\$111,267	\$111,267	\$111,267	\$111,267	\$556,335
<b>Total</b>						<b>\$7,210,190</b>

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the information as presented in the Financial Impact Section.

## **DECISION HISTORY**

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At its meeting on April 24, 25, 26 and 27, 2018, City Council, by its adoption of Item - 2018.PW28.3 granted the authority to enter into a non-competitive contract with Toromont Industries Ltd. for Proprietary OEM Parts and Equipment Maintenance Services at the Humber Treatment Plant for a period of one year, with the option to renew for four (4) additional one (1) year periods. The Council decision can be found here:

<https://secure.toronto.ca/council/agenda-item.do?item=2018.PW28.3>

## **COMMENTS**

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Toronto Water is responsible for operating and maintaining the City's water and wastewater treatment facilities to ensure safe, reliable, and regulatory-compliant service. The continued use of proprietary parts and specialized maintenance services is necessary to support complex process equipment installed at these facilities and to ensure operations align with manufacturer specifications and regulatory requirements.

Access to proprietary components enables maintenance staff to effectively sustain and extend the service life of critical assets beyond their anticipated design life. While all original equipment was procured through competitive processes in accordance with City procurement policies, manufacturer warranties and related maintenance contracts have largely expired. As a result, Toronto Water must continue to procure proprietary parts and services to maintain existing installed equipment.

The recommended contracts are required to support the ongoing operation, routine maintenance, and unplanned repair of water and wastewater treatment process equipment. These contracts are critical to minimizing operational risk, preventing service disruptions, and ensuring the safe and efficient operation of the City's water and wastewater systems.

### **1. Toromont Power Systems**

Toromont Power Systems, a division of Toromont Industries, supplies, installs, and maintains industrial-scale power generation equipment, including the two Caterpillar cogeneration units operating at the Humber Treatment Plant. These cogeneration units provide approximately \$4,967 per day in displaced hydroelectric costs, while also recovering thermal energy that reduces the natural gas required for facility heating. This makes sustained, reliable operation essential to meeting Toronto Water's financial, energy-efficiency, and environmental objectives. As the sole authorized service and parts provider for Caterpillar cogeneration equipment, Toromont Power Systems supports Toronto Water by delivering specialized maintenance, repair services, and technical expertise that ensure continuous, resilient power generation at critical water and wastewater facilities.

## **2. KSB Pumps Inc. (Canada)**

KSB Pumps Inc. (Canada) is the Canadian division of the global KSB Group, a leading manufacturer of pumps, valves, and engineered fluid-handling systems for the water and wastewater sector. Toronto Water relies on KSB pumps throughout its treatment and distribution processes to move water and wastewater between key stages of treatment. As the manufacturer and sole distributor of KSB pumps, parts, accessories, and after-warranty repair services in Canada, KSB Pumps Inc. provides essential technical support, certified maintenance, and reliable access to specialized components. This ensures the continued performance, efficiency, and operational resilience of critical pumping infrastructure across Toronto Water facilities.

## **3. APGN Inc.**

APGN Inc., operating as APG-Neuros, is a Canadian manufacturer of high-efficiency turbo blowers and aeration control systems used in municipal wastewater treatment. Toronto Water relies on APGN Inc. turbo blowers and the associated Master Control Panel at both the North Toronto and Highland Creek Treatment Plants, where they supply the compressed air required to maintain adequate dissolved oxygen levels for biological treatment processes. As the manufacturer and sole supplier of service, software, and parts for this equipment, APGN Inc. provides the specialized technical support necessary to ensure reliable aeration performance, energy efficiency, and continuity of critical wastewater treatment operations.

## **4. John Brooks Company Limited**

John Brooks Company Limited is the sole Canadian supplier for several specialized pump and mixing equipment lines that are essential to the continuous operation and maintenance of Toronto Water's Wastewater Treatment Plants and Water Treatment Plants. Their exclusive product offerings include Gorman-Rupp pumps for raw sewage and grit handling, Vaughan chopper pumps for cutting solids to prevent plugging, Vaughan Triton screw centrifugal pumps for moving waste activated and return activated sludge, and the Vaughan Rotamix mechanical hydraulic mixing system used to mix sludge in digesters. They also supply Grundfos sewage pumps and controllers, which are critical for transporting sewage, managing flow levels, and controlling pump operations. Through these equipment lines, John Brooks provides the specialized, high-reliability technologies required to keep Toronto Water's treatment processes operating safely, efficiently, and without interruption.

## **5. Devine & Associates Limited**

Devine & Associates Limited is an Ontario-based supplier and manufacturer's representative specializing in process instrumentation and control equipment for municipal water and wastewater systems. Toronto Water relies on the company for critical monitoring and flow-measurement devices, along with manufacturer-certified service and parts. Devine & Associates is also the sole supplier of Elasto-Valve Rubber (EVR) expansion joints, which are used on piping subject to vibration from pumps and blowers and exposure to corrosive fluids, sludge, and chemicals. Their specialized Non-competitive Contracts with Various Suppliers for Proprietary Parts and Maintenance Services for Toronto Water

products and support help maintain the reliability and safety of Toronto Water's treatment and conveyance infrastructure.

Staff have reviewed the pricing for the parts and services and have determined that the pricing is fair and reasonable.

The Fair Wage Office has reported that all recommended suppliers have reviewed and understand the Fair Wage Policy and Labour Trades requirements, and each has agreed to comply fully.

## **CONTACT**

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## **SIGNATURE**

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