

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

Date: July 6, 2026

To: General Government Committee

From: General Manager, Toronto Water and Chief Procurement Officer

Wards: All

SUMMARY

The purpose of this report is to request City Council authority to enter into two (2) 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 \$1,368,432, net of all applicable taxes and charges (\$1,392,517 net of HST recoveries).

A non-competitive procurement is required for the following suppliers: Johnson Controls Canada L.P. and Lakeside Process Controls Ltd. 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, 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

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 \$1,368,432 net of all applicable taxes and charges (\$1,392,517 net of HST recoveries), and with the Non-Competitive Contracts as follows:

a) Johnson Controls Canada L.P. with the maximum contract price of \$368,432 net of all applicable taxes and charges (\$374,917 net of HST recoveries); and

b) Lakeside Process Controls Ltd. with the maximum contract price of \$1,000,000 net of all applicable taxes and charges (\$1,017,600 net of HST recoveries).

FINANCIAL IMPACT

The total potential contract values identified in this report are \$1,368,432, net of all taxes and charges (\$1,392,517 net of HST recoveries).

Funding for the initial term of contracts is included in the 2026 Operating Budget and 2026 Capital Budget and 2027-2035 Capital Plan for Toronto Water. Required operating 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, 2 and 3:

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

Cost Centres	Cost Elements	Year	Initial Contract Period	Option Year Periods	Total
TW2055 TW2060 TW3035 TW4022 TW4036 TW4060 TW4065 TW4080 TW4085 TW4095 TW4100 TW4105 TW7020 TW7035 TW7050 TW7065 TW7070 TW7072 TW7075	5020110 5020032 5020020	2026	\$203,520		\$203,520
		2027		\$203,520	\$203,520
		2028		\$203,520	\$203,520
		2029		\$203,520	\$203,520
		2030		\$203,520	\$203,520
Total					\$1,017,600

Table 2: Financial Impact Summary of Recommended Contracts Capital (Net of HST Recoveries)

WBS Element	Cost Element	Year	Initial Contract Period	Option Year Periods	Total
CPW039-14	5020038	2026	\$50,880		\$50,880
		2027	\$96,672		\$96,672
		2028	\$96,672		\$96,672
		2029	\$66,144		\$66,144
		2030	\$64,549		\$64,549
Total					\$374,917

Table 3: Summary of Recommended Contracts by Supplier (Net of HST Recoveries)

Supplier	2026	2027	2028	2029	2030	Total
Johnson Controls Canada L.P.	\$50,880	\$96,672	\$96,672	\$66,144	\$64,549	\$374,917
Lakeside Process Controls Ltd.	\$203,520	\$203,520	\$203,520	\$203,520	\$203,520	\$1,017,600
Total						\$1,392,517

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

DECISION HISTORY

At its meeting on June 6, 2018, Bid Award Panel awarded Request For Quotation 9115-18-7042 to Lakeside Process Controls for the Preventative Maintenance Services to Perform Vibration Analysis, Infrared Thermography, Oil Analysis, Motor Current Analysis, Ultrasound Analysis, or Any Other Predictive Technology from the date of award to March 31, 2019, with the option to renew the Contract for four (4) additional one (1) year periods.

[Agenda Item: BA80.5](#)

At its meeting on April 26, 27 and 28, 2017, City Council, by its adoption of Item - 2017.PW20.2 granted the authority to enter into a non-competitive contract with various Vendors including Lakeside Process Controls. for Proprietary supply of proprietary parts and equipment, software and software maintenance 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:

[Agenda Item: PW20.2](#)

On September 25, 2023, the Chief Procurement Officer authorized a divisional non-competitive procurement solicitation under criteria for Exception Code 2 – Exclusive Rights – under the City’s Purchasing By-law to Johnson Controls Canada L.P. for the Metasys Building Automation System Upgrade for Toronto Water Division.

COMMENTS

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

Access to proprietary components allows maintenance staff to sustain and extend critical asset life beyond original design expectations. Although all original equipment was acquired through competitive procurement processes in accordance with City policies, most manufacturer warranties and related maintenance contracts have expired. As a result, and given the proprietary nature of the equipment and the absence of alternative authorized suppliers, Toronto Water must continue to procure proprietary parts and services to maintain the existing installed equipment and support ongoing operations.

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

1. Johnson Controls Canada L.P.

Johnson Controls Canada L.P. is a Canadian-registered subsidiary of Johnson Controls International and provides building equipment contracting, HVAC installation and servicing, building automation and controls, and technical consulting services across Canada.

Johnson Controls Canada L.P. is the sole authorized provider and exclusive distributor of the Metasys Building Automation System (Metasys) used by Toronto Water to centrally monitor, control, and optimize HVAC and other critical facility systems. Metasys is essential to the efficient, reliable, and safe operation of Toronto Water's water and wastewater facilities.

As a proprietary platform, Metasys can only be supported, updated, and maintained by Johnson Controls Canada L.P. Access to manufacturer-certified services is required to ensure system integrity, maintain compliance with corporate and regulatory requirements, and support a secure and resilient operational environment.

Maintaining a secure information and operational technology environment requires Metasys software to remain fully supported, regularly patched, and kept current. Ongoing updates and lifecycle management are critical to addressing cybersecurity risks, mitigating vulnerabilities, and ensuring the continued safe operation of Toronto Water's critical infrastructure.

2. Lakeside Process Controls Ltd.

Lakeside Process Controls Ltd. (Lakeside) is a Canadian, employee-owned industrial automation and process-control company headquartered in Mississauga, Ontario. The company provides automation technologies, engineering services, and industrial solutions across Central Canada, serving sectors such as water and wastewater, oil and gas, power generation, mining, and manufacturing.

Lakeside is the sole authorized provider of replacement parts, instrumentation, sensors, and control components for Emerson Electric Inc. brands, including Rosemount, ASCO, Fisher, and Keystone. It also supplies associated wiring, condition-monitoring equipment, and system modules, and provides warranty support, calibration, troubleshooting, verification, and ongoing maintenance for these products.

These goods and services are required to repair, maintain, and upgrade equipment at Toronto Water facilities, including water and wastewater treatment plants and pumping stations. Access to authorized replacement components is essential to minimize downtime, maintain operational performance, and extend asset life without full equipment replacement.

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

Richard Noehammer, Director Capital Planning and Implementation, Toronto Water, 416-397-7296, Richard.Noehammer@toronto.ca

Marie Reid, Manager, Infrastructure and Development Services, Purchasing Client Services, Purchasing and Material Management, 416- 397-5187, Marie.Reid@toronto.ca

SIGNATURE

Lou Di Gironimo
General Manager, Toronto Water

Geneviève Sharkey
Chief Procurement Officer