



**STAFF REPORT
ACTION REQUIRED
with Confidential Attachment**

**City’s Contract with IBM Canada Ltd. relating to the
FPARS Project**

Date:	October 30, 2015
To:	City Council
From:	City Solicitor
Wards:	All
Reason for Confidential Information:	This report is about potential litigation that affects the City, and contains advice that is subject to solicitor-client privilege and litigation privilege.
Reference Number:	

SUMMARY

The City contracted with IBM Canada Ltd. (“IBM”) to provide professional and technical services in connection with the City’s review of its financial planning, budgeting and reporting requirements and the implementation of public budget formulation software (the "Software") for the Financial Planning Analysis Reporting System project (“FPARS”).

Confidential Attachment 1 contains legal advice from the City Solicitor regarding the resolution of a dispute concerning the City’s contract with IBM and the services provided between 2012 and 2014.

RECOMMENDATIONS

The City Solicitor recommends that:

1. Council adopt the recommendations in Confidential Attachment 1.
2. Council direct that Confidential Attachment 1 remain confidential as it contains advice that is subject to solicitor-client privilege and pertains to litigation or potential litigation.

Financial Impact

The financial implications are discussed in Confidential Attachment 1.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

The City Solicitor has not previously reported on the matters discussed in this report.

The Deputy City Manager and Chief Financial Officer reported on the progress of this Project in a report dated March 24, 2014, entitled “The Financial Planning Analysis and Reporting System (FPARS) Project: Implementation Status Update”. This report was adopted by Council at its May 6, 2014 meeting. See:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.GM29.5>

ISSUE BACKGROUND

The FPARS project is a complex, large scale, enterprise business transformation and technology project. It was designed to allow the City to improve decision making and maximize the value of information held across different divisions in the organization by integrating and supporting budget reporting, analysis, and forecasting. As such, the FPARS project involved the implementation of software, re-engineering accounting and payroll transactional processes, and implementing changes to the City’s existing enterprise accounting, payroll and human resources systems, among other things.

The City entered into a contract dated March 16, 2012 (the “Contract”) with IBM for services related to FPARS, following an extensive request for proposals process.

IBM was engaged on the Project from March 2012 until approximately mid-2014.

Certain functionality of the FPARS software went live in May 2013 and was used by City Divisions and Agencies for the 2014 Budget process.

Since then and to date, significant work has been undertaken to refine and expand the Software’s functionality and achieve other objectives of the Project.

COMMENTS

Confidential legal advice is provided in Confidential Attachment 1.

CONTACT

Diana Dimmer, Director of Litigation, Legal Services, Tel: 416-392-7229, Fax: 416-397-5624, Email: ddimmer@toronto.ca

SIGNATURE

Anna Kinastowski, City Solicitor

ATTACHMENTS

Confidential Attachment 1