

Review and Renewal of Technology Maintenance Contracts for Sustainment of City Services from 2026-2030

Date: September 5, 2025

To: General Government Committee

From: Chief Technology Officer and Chief Procurement Officer

Wards: All

REASON FOR CONFIDENTIAL INFORMATION

The attachments to this report are about criteria to be applied to negotiations carried on or to be carried on by or on behalf of the City of Toronto, which, if disclosed, could reasonably be expected to prejudice the competitive position significantly or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization.

SUMMARY

Technology software requires ongoing support for updates, backups, support, and ongoing compliance with cybersecurity and privacy regulations. Technology maintenance contracts allow the City of Toronto to receive these essential services. Based on non-competitive exclusive rights, technology maintenance is only available directly from the suppliers identified in this report.

The purpose of this report is to request City Council authority to renegotiate and renew 219 technology maintenance contracts non-competitively for up to a five (5) year term from 2026-2030. These maintenance contracts must be awarded to existing suppliers as they are required to maintain existing City technology infrastructure and application systems in a state of good repair, covering system updates, data backup and support, and ongoing compliance with cybersecurity and privacy regulations. Any new modernization initiatives requiring City Council approval are excluded from this process and will be reported separately.

This report is the culmination of a year-long review the City undertakes every five (5) years to ensure effective cost management and governance for technology

maintenance contract renewal requests from over thirty divisions and avoid fragmented sole-source requests to City Council. This is the fourth iteration of this process, which began in 2010. Through this latest review process, the City has reduced the total authority request of this report by \$14.56 million.

The authority value requested in this report is the total potential ceiling for all 219 contracts until 2030. Each contract will be reviewed, renegotiated and renewed separately as and when they become due and is subject to City Council approval through the annual City Operating Budget process over the next five years. The City retains the right to not proceed should it decide to discontinue any business solutions, hardware, or software. A divisional summary is available in Appendix A, while Appendices B and C provide an itemized contract view by division.

City Council approval is required in accordance with Municipal Code Chapter 195- Purchasing, where the current request exceeds the Chief Purchasing Official's authority of the cumulative five-year commitment limit for each vendor, under Article 7, Section 195-7.3 (D) of the Purchasing By-Law or exceeds the threshold of \$500,000 net of Harmonized Sales Tax allowed under staff authority as per the Toronto Municipal Code, Chapter 71- Financial Control, Section 71-11A.

RECOMMENDATIONS

The Chief Technology Officer and the Chief Procurement Officer recommend that:

1. City Council grant authority to the Chief Technology Officer, subject to budget approval, to renegotiate and renew the contracts listed in Confidential Attachment 1 and Confidential Attachment 2, for a period of up to five (5) years from January 1, 2026 to December 31, 2030, for a maximum estimated amount of \$226,878,212 CAD net of Harmonized Sales Tax recoveries (\$230,871,269 CAD net of Harmonized Sales Tax) and \$16,732,107 USD net of Harmonized Sales Tax recoveries (\$17,026,595 USD net of Harmonized Sales Tax), subject to Recommendation 2 below.
2. City Council grant authority to the appropriate City Division Heads and the Chief Technology Officer to negotiate, enter into and execute new contracts or to renew and extend existing contracts, and any ancillary documents required to give effect thereto, identified in Confidential Attachment 1 and Confidential Attachment 2, for a period of up to five (5) years from January 1, 2026 to December 31, 2030, in accordance with City policies and procedures, and in a form satisfactory to the City Solicitor.
3. City Council direct that Confidential Attachment 1 and Confidential Attachment 2 to the report from the Chief Technology Officer and the Chief Procurement Officer, remain confidential at this time as they pertain to criteria to be applied to negotiations carried on or to be carried on by or on behalf of the City of Toronto, and be made public at the discretion of the Chief Procurement Officer following the execution of the contracts authorized by Recommendation 1 and Recommendation 2 above.

FINANCIAL IMPACT

Funding in the following amounts net of Harmonized Sales Tax will be included in the programs' Operating and Capital Budget submissions in the respective years:

Table 1 - Technology Maintenance Contract Renewals for 5 Years (2026 to 2030)

	Contract Renewals Previously Consolidated Under the 2020 Review (Appendix B)		Contract Renewals Now Consolidated as part of the 2025 Review (Appendix C)		Total Amount Requested for Approval for Contract Renewals for 2026–2030	
	CAD	USD	CAD	USD	CAD	USD
2026	\$28,398,806	\$2,322,198	\$4,961,584	\$600,347	\$33,360,390	\$2,922,545
2027	\$33,492,616	\$2,478,864	\$5,367,202	\$732,496	\$38,859,818	\$3,211,360
2028	\$38,106,396	\$2,607,238	\$8,516,782	\$787,793	\$46,623,178	\$3,395,031
2029	\$43,509,328	\$2,748,982	\$10,843,419	\$895,837	\$54,352,747	\$3,644,819
2030	\$46,364,809	\$2,902,608	\$11,310,327	\$950,232	\$57,675,136	\$3,852,840
5 Year Total	\$189,871,955	\$13,059,890	\$40,999,314	\$3,966,705	\$230,871,269	\$17,026,595

The potential increase for this 5-year period over the 2020-2025 reported amount for these contracts is \$78,544,845 net of Harmonized Sales Tax. Annually, this increase is approximately 3.4% below the annualized growth rate for Software as a Service (SaaS) applications in the market. This is an aggregate high-level estimate only, and specific pricing and increases will be determined on a contract-by-contract and vendor-by-vendor basis as they are renewed.

A breakdown of annual spend for all 219 technology maintenance contracts included within this report are broken down by division as part of *Appendix A: Divisional Summary of Proprietary Technology Maintenance Contracts*.

Amounts are based on the current proprietary technology maintenance requirements, potential future requirements resulting from approved procurements and anticipated inflationary increases. The City will continue to negotiate with vendors to limit increases and obtain value for the City with a 5-year renewal term.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with information included in the Financial Impact section.

DECISION HISTORY

On October 27, 28 and 30, 2020, City Council granted the authority under GL16.5 for Technology Services Division and the respective City Divisions to enter into agreements with proprietary vendors for IT software and hardware maintenance services for a period of five (5) years from January 1, 2021, to December 31, 2025.

The following is the link to City Council Decision:

[Agenda Item History - 2020.GL16.5](#)

On December 5, 6, 7 and 8, 2017, City Council granted the authority under GM23.9 for Information & Technology Division and the respective City Divisions to enter into agreements with proprietary vendors for IT software and hardware maintenance services for a period of three (3) years from January 1, 2018 to December 31, 2020.

[Agenda Item History - 2017.GM23.9](#)

On December 13, 14 and 15, 2016, City Council granted the authority under GM16.7 for Information & Technology Division and the respective City Divisions to enter into agreements with proprietary vendors for IT software and hardware maintenance services for a period of four (4) years from January 1, 2017 to December 31, 2020.

[Agenda Item History - 2016.GM16.7](#)

On December 9 and 10, 2015, City Council granted the authority under GM8.8 for Information & Technology Division and the respective City Divisions to enter into agreements with proprietary vendors for IT software and hardware maintenance services for a period of five (5) years from January 1, 2016 to December 31, 2020.

[Agenda Item History - 2015.GM8.8](#)

On December 16, 17, and 18, 2013, Information & Technology was granted approval by City Council under GM26.12 to amend the contracts that were approved on GM32.20 and GM16.5 and to renew additional contracts that have reached either the \$500,000 cumulative threshold increase or will have exceeded the five (5) year commitment limit by end of December 31, 2015. [Agenda Item History - 2013.GM26.12](#)

On October 2, 3 and 4, 2012, Information and Technology was granted approval by City Council under GM16.5 to amend the contracts that were approved on GM32.20 and to renew additional contracts that have reached either the \$500,000 cumulative threshold increase or will have exceeded the five (5) year commitment limit by end of December 31, 2015. [Agenda Item History - 2012.GM16.5](#)

On July 6, 7, and 8, 2010, City Council granted the authority under GM32.20 for Information & Technology Division and the respective city divisions to enter into agreements with proprietary vendors for Information Technology software and hardware maintenance services for a period of five (5) years from January 1, 2011 to December 31, 2015 at a total cost not to exceed \$73,744,911 (net of HST recoveries).

[Agenda Item History - 2010.GM32.30](#)

COMMENTS

Technology maintenance contracts allow the City to receive system and security updates, support, backups and recovery to ensure state of good repair and compliance with cybersecurity and privacy standards and regulations. Based on non-competitive exclusive rights, technology maintenance is only available directly from the suppliers identified in this report.

Technology Services Division provides the central oversight for the City's technology maintenance contracts, partnering with Purchasing and Materials Management Division to plan and coordinate with City divisions supported by technology platforms and solutions.

Since City Council last adopted this report in 2020, the City has significantly increased its investments in technology platforms and solutions to modernize public service delivery. The maintenance contracts detailed in this report support major IT solutions and underscore the critical role of digital infrastructure in enhancing operational efficiency, data-driven decision-making, and public engagement.

The City conducts this review every five years to ensure effective cost management and governance for technology maintenance contract renewal requests from over thirty divisions. This process, now in its fourth iteration since 2010, aims to eliminate fragmented sole-source requests to City Council. It involves a year-long effort across multiple divisions to review the number of maintenance contracts for existing technology products, including software, systems, and services and their respective costs, based on historical spending and justification for increases. Securing five-year contracts, where possible, also provides the City with greater leverage and flexibility to negotiate better overall value with vendors.

This process allows the City to consolidate contracts, ensure cost controls, and renew or renegotiate contracts in line with City policies and procedures. Through this latest review process, the City has reduced the total authority request of this report by \$14.56 million.

The authority value requested in this report is the total potential ceiling for all 219 contracts until 2030. Each contract will be reviewed, renegotiated and renewed separately as and when they become due and is subject to City Council approval through the annual City Operating Budget process over the next five years. The City retains the right to not proceed should it decide to discontinue any business solutions, hardware, or software. A divisional summary is available in Appendix A, while Appendices B and C provide an itemized contract view by division.

While this report focuses on the renewal of maintenance contracts, all new City investments in IT platforms are governed by a City-wide intake procedure and internal Enterprise Architecture Review Board to evaluate City-wide purchases of IT software and systems. In 2025, the City also launched its application management inventory process, enabling the City to track and manage its application footprint and lifecycles, including making strategic decisions to keep, improve, replace or retire. These

processes drive improved contract management, cost savings, and limit technology sprawl by determining whether business needs can be met by existing or planned IT systems or platforms. It also ensures that all solutions align with City and industry standards, evolve with the City's needs, integrate with the broader City environment and operate efficiently in the long term.

As proprietary technology maintenance contracts come up for renewal, Technology Services Division continues to work with the various divisions within the City to review, consolidate contracts and ensure cost controls are in place to manage proprietary dependency. As a best practice, Technology Services Division includes renewal clauses with a set maximum percentage increase that cannot be exceeded in these contracts, for example, percentage increase cannot exceed the Consumer Price Index (CPI).

The Technology Services Division will continue to identify opportunities to consolidate contracts and ensure cost controls are in place and all contracts will be renewed or re-negotiated in accordance with City policies and procedures, and in a form satisfactory to the City Solicitor.

The Fair Wage Office has reported that all the proprietary technology maintenance suppliers identified in this staff report and in the attachments have reviewed and understand the Fair Wage Policy and Labor Trades requirements and have agreed to comply fully.

CONTACT

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SIGNATURE

Sonia Brar
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ATTACHMENTS

Attachment 1 – Appendix A: Divisional Summary of Proprietary Technology Maintenance Contracts

Confidential Attachment 1 – Appendix B: Summary of Contracts Previously Consolidated Under the 2020 Review of Technology Maintenance Contracts

Confidential Attachment 2 – Appendix C: Summary of Contracts Now Consolidated as part of the 2025 Review of Technology Maintenance Report Authority