

Amendment to Blanket Contract 47025515 with CDW Canada Corp. for Microsoft Select Plus Software Products and Support Services Leveraging the Provincial Vendor of Record

Date: October 9, 2025

To: General Government Committee

From: Chief Technology Officer and Chief Procurement Officer

Wards: All

SUMMARY

The purpose of this report is to request authority to amend Blanket Contract 47025515 with CDW Canada Corp., a Canadian business subsidiary of a US-based supplier, in the amount of \$7,000,000 net of all applicable taxes and charges.

Blanket Contract 47025515 is established in accordance with the pricing, terms, and conditions outlined in the Ontario Public Service Vendor of Record (VOR) (Tender-18358 - Microsoft Select Plus Agreement and Reseller Agreement). While the current VOR is valid until 2026, the City's agreement remains in effect until February 2029, and the conditions of the VOR will be upheld until that time. The City intends to continue utilizing the VOR as long as it remains available to benefit from the Province's competitive procurement process and purchasing power, ensuring the best value for the City.

The value of Blanket Contract 47025515 was established based on anticipated needs in early 2024. Since then, the City has more accurately mapped out its requirements to meet the higher standards for disaster recovery modernization due to rising compliance requirements, software renewals, and the expansion of critical division products.

This contract, distinct from the City's Microsoft 365 Enterprise Agreement for cloud services, covers non-cloud, legacy and or specialized needs. Leveraging the Provincial Vendor of Record, it provides competitive pricing and flexibility to purchase licences and professional services. This contract ensures the continued operation of critical infrastructure including disaster recovery and supports timely deployment of security updates to maintain strong cybersecurity across the City.

RECOMMENDATIONS

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

1. General Government authorize the Chief Technology Officer, in accordance with Section 71-11.1.C of the City of Toronto Municipal Code Chapter 71, Financial Control, to amend Blanket Contract 47025515 with CDW Canada Corp. by increasing the contract value by \$7,000,000 net of all applicable charges and taxes (\$7,123,200 net of Harmonized Sales Tax Recoveries), revising the current Blanket Contract Value from \$5,000,000 to \$12,000,000 (\$5,088,000.00 to \$12,211,200.00 net of Harmonized Sales Tax Recoveries).

FINANCIAL IMPACT

Amending Contract 47025515 by an additional \$7,000,000 net of all applicable taxes (\$7,123,200 net of Harmonized Sales Tax Recoveries) will increase the contract ceiling from \$5,000,000 to \$12,000,000 (\$5,088,000.00 to \$12,211,200.00 net of Harmonized Sales Tax Recoveries).

Funding for this increase will be allocated from divisional budgets, capital project funds, and software assurance renewal allocations over 2025-2029. Funding in the amount of \$ 1,389,427 net of Harmonized Sales Tax Recoveries for 2025 is available within the 2025 Operating and Capital Budgets of participating divisions. Funding for the remaining years will be included in the respective participating division's 2026-2029 Operating Budgets and 2026 -2035 Capital Budget and Plan Submissions as outlined in Table 1 below:

Table 1: Financial Impact Summary (Net of Harmonized Sales Tax Recoveries)

Division	Cost Centre	Cost Element	2025	2026	2027	2028	2029	Total
Technology Services Division	CIT702-08-03	3420	\$814,080	\$1,017,600	\$915,840	\$814,080	-	\$3,561,600
	CIT030-26	3420	-	\$152,640	-	-	\$152,640	\$305,280
	IT1010	3420	-	-	\$101,760	\$101,760	-	\$203,520
Toronto Water	TW6045	3420	\$94,677	\$259,923	\$348,858	\$155,736	-	\$859,194
	CPW03 9-10-39	3420	\$206,000	\$150,000	\$150,000	\$150,000	-	\$656,000

Division	Cost Centre	Cost Element	2025	2026	2027	2028	2029	Total
Corporate Real Estate Management (CREM)	FA0341	3420	-	-	\$337,167	-	-	\$337,167
Paramedics	B31100 B46092	3420 3099	\$50,880	-	-	\$50,880	-	\$101,760
Other Divisions	Various Cost Centres	3420	\$223,790	\$223,790	\$223,790	\$223,790	\$203,520	\$1,098,679
Total Net of Harmonized Sales Tax Recoveries (rounded to the nearest dollar)			\$1,389,427	\$1,803,953	\$2,077,415	\$1,496,246	\$356,160	\$7,123,200

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

DECISION HISTORY

In November 2024, the Audit Committee received an update on the City's Enterprise IT Disaster Recovery Program, including business continuity and cyber major incident management, as well as the status of IT disaster recovery plans from City of Toronto divisions, agencies, and corporations.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.AU7.4>

In March 2024, the Bid Award Panel granted authority to the Chief Procurement Officer to award the Province of Ontario's Vendor of Record Arrangement Tender-18358 to CDW Canada Corp. for Microsoft Select Plus Software Products and Support Services for the Technology Services Division.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.BA71.5>

In December 2023, the Audit Committee requested the Chief Technology Officer, in coordination with the Chief Information Security Officer and the Executive Director, Toronto Emergency Management to report to the Audit Committee in the third quarter of 2024 on the status and progress of the Information Technology Disaster Recovery Plan from each City of Toronto division, agency and corporation; the status update should also be reported for the City of Toronto's Corporate Technology Services Disaster Recovery Plan, including business continuity and cyber major incident management.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.AU3.7>

In July 2022, the Audit Committee requested the Chief Technology Officer, in coordination with the Chief Information Security Officer and the Executive Director, Toronto Emergency Management to report to the Audit Committee in the third quarter of

2023 on the status of the Information Technology Disaster Recovery Plan from each City of Toronto division, agency and corporation, including the status update for City of Toronto's Corporate Technology Services Disaster Recovery Plan, business continuity, and cyber major incident management.

<https://secure.toronto.ca/council/agenda-item.do?item=2022.AU13.9>

In November 2021, the Audit Committee requested the City Manager to report to the Audit Committee with information from each City of Toronto division, agency and corporation on their Information Technology Disaster Recovery Plan should the City's systems, technology, communications, or backups be made unavailable. The Chief Technology Officer was also requested to report to the Audit Committee with an update on the status of City of Toronto's Corporate Technology Services Disaster Recovery Plan, including implementation, testing and a full project plan for any outstanding work.

<https://secure.toronto.ca/council/agenda-item.do?item=2021.AU10.8>

The Council motions related to Audit Committee are anchored on audit report [AU 7.3 - Disaster Recovery Planning for City Computer Facilities](#), which articulates on the City's contingency plans in the event of a disaster disabling City technology services. This audit report was adopted by the City Council on May 26, 2008.

COMMENTS

Blanket Contract 47025515 is established in accordance with the pricing, terms, and conditions outlined in the Ontario Public Service Vendor of Record (VOR) (Tender-18358 - Microsoft Select Plus Agreement and Reseller Agreement). While the current VOR is valid until 2026, the City's agreement remains in effect until February 2029, and the conditions of the VOR will be upheld until that time. The City intends to continue utilizing the VOR as long as it remains available to benefit from the Province's competitive procurement process and purchasing power.

The City adopted its Microsoft Select Plus contract through the VOR in early 2024 based on anticipated needs. Since then, the City has refined its requirements for disaster recovery modernization, recognizing the need for additional support and resources to address compliance obligations, manage software renewals, and support the expansion of critical products across City divisions. By allocating additional funds to the continued use of the VOR, the City is leveraging the Province's purchasing power to secure the necessary licenses and professional services, ensuring the best value for the City.

This approach aligns with the findings from Auditor General audits and assessments, ensuring that the City meets higher standards for disaster recovery modernization. In response to Divisional needs identified in response to these Audit recommendations, planned spending on this contract was accelerated between 2024-2025. This included expanded use of licenses across 30+ divisions, resulting in higher renewal costs each year.

Overall, these initiatives maintain critical databases for over 30 City divisions and ensure compliance with security standards, demonstrating the City's commitment to prioritizing evolving audit standards.

This blanket contract is separate from the City's Microsoft 365 enterprise agreement, which covers only cloud-based services. It addresses all remaining non-cloud products, including server software (like Microsoft SQL Server and Exchange Server) and desktop applications (such as Microsoft Access), as well as legacy and/or specialized needs that fall outside the scope of Microsoft 365. These products allow City staff to install and manage on-premise databases to effectively manage City data.

This amendment ensures uninterrupted operation of critical City infrastructure, such as disaster recovery (DR) servers, and enables timely deployment of security updates across divisions to uphold cybersecurity.

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SIGNATURE

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