

Non-Competitive Contract with IBM Canada Limited for IBM Maximo Application Suite Software as a Service

Date: November 25, 2025

To: General Government Committee

From: Chief Technology Officer and Chief Procurement Officer

Wards: All

SUMMARY

The purpose of this report is to request City Council authority to enter into a non-competitive contract with IBM Canada Ltd. (IBM), a Canadian business subsidiary, for IBM Maximo Application Suite (MAS) Software-as-a-Service subscriptions and support in the amount of \$34,300,219 net of all applicable taxes and charges (\$34,903,904 net of Harmonized Sales Tax recoveries Recoveries) commencing from January 1, 2026 for a term of two (2) years with option to extend the Contract by one (1) additional one (1) year period.

The Enterprise Work Management Solution (EWMS) Program is modernizing the City's work management systems by replacing outdated, siloed systems with a single, unified platform using IBM Maximo technology, which provides an integrated solution that streamlines work planning, asset management, and service delivery. At the time of writing this report, over 1500 staff across six divisions are supported by the on-premises IBM Maximo technology as part of EWMS. This report supports the transition of these divisions from the on-premises, end-of-life Maximo platform to the upgraded, cloud-based solution, and rollout to Toronto Water as a net new division using the solution.

Following an unsuccessful Request for Proposal (RFP) in 2025 to competitively procure IBM MAS for the EWMS cloud migration and Toronto Water rollout through a third-party reseller of IBM products, the City is recommending a non-competitive procurement directly with IBM. The City has confirmed that entering into a direct agreement with IBM provides the greatest benefit and least risk for the City.

Similarly, Corporate Real Estate Management (CREM) needs to replace its legacy, end-of-life systems with IBM Maximo Application Suite modules, including Maximo Real Estate & Facilities, to ensure operational continuity and compliance as current systems reach end of support. This proposed non-competitive procurement also includes the

software licensing and cloud environment required to enable CREM's unified real estate information platform, which was not originally included in the RFP. This will enable the City to retire end-of-life products and move toward a unified, cloud-based approach for managing critical real estate assets across the City. Adding the volume of CREM to this NCP helps the City negotiate a lower total cost of ownership and licensing allocation flexibility in addition to other commercial benefits and protections.

This approach will still allow the City to access competitive pricing by avoiding reseller markup and negotiating directly with IBM for flexible licensing terms and enhanced service terms unavailable through third-party resellers. It enables the City to continue to satisfy the EWMS Program timelines and objectives, meet Toronto Water's project critical path, and satisfy Auditor General recommendations.

Prior to expiry of the proposed agreement with IBM Canada Ltd., the City will reassess competitive procurement options to ensure continued value for money, operational efficiency, and alignment with evolving industry standards.

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. This non-competitive procurement will be proceeding under the exception code Section 195-7.1(F) for the EWMS cloud migration and Toronto Water rollout components and Section 195-7.1(P) for the CREM component, the City has determined in good faith that both the proposed procurement and the selected supplier, along with the terms and conditions of the contract are beneficial to the City (Toronto Municipal Code, Chapter 195, Procurement, Section 7.1K.).

City Council approval is required in accordance with Municipal Code Chapter 195, Purchasing, where the current request exceeds the Chief Procurement Officer'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 71-11(A).

RECOMMENDATIONS

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

1. City Council authorize the Chief Technology Officer to negotiate and enter into an agreement with IBM Canada Ltd for the EWMS cloud migration and Toronto Water rollout components and for the CREM component, commencing from January 1, 2026 for a term of two (2) years with options to extend the Contract by one (1) additional one (1) year period in the value of \$34,300,219 net of all taxes and applicable charges (\$34,903,904 net of Harmonized Sales Tax Recoveries), subject to terms and conditions acceptable to the Chief Technology Officer.

FINANCIAL IMPACT

The proposed contract's total amount is \$34,300,219 net of all taxes and applicable charges (\$34,903,904 net of HST Recoveries).

Funding for the contract term has been included in the 2026-2035 Capital Budget submissions for Technology Services Division, Toronto Water Division, and Corporate Real Estate Management Division. Funding for sustainment costs will be submitted in future years' Operating Budget submissions of the relevant divisions for consideration and approval. Additional funding details follow in Table 1.

Table 1 – Financial Impact Summary of Recommended Contract (net of Harmonized Sales Tax recoveries)

Division	Cost Centre	Cost Element	2026	2027	2028	Total
Technology Services Division	CIT051-01	4828	\$3,444,748	-	-	\$3,444,748
	CIT051-09	4828	\$1,988,798	\$7,210,779	\$4,847,866	\$14,047,443
Environment, Climate & Forestry	P00020	4828	-	\$1,180,875	\$1,165,459	\$2,346,334
Parks & Recreation	P13333	4474	-	\$3,083,075	\$3,750,994	\$6,834,068
Solid Waste Management Services	SW0701	4828	-	\$722,721	\$757,117	\$1,479,838
Transportation Services	TS9010	4828	-	\$1,147,133	\$1,194,284	\$2,341,417
Toronto Water	CPW048-05	4828	\$729,595	-	-	\$729,595
	TW6045	4828	-	\$572,290	\$589,459	\$1,161,749
Corporate Real Estate Management	CCA215-11	4828	\$541,732	\$973,882	-	\$1,515,614
	FA100-30	4828	-	-	\$1,003,098	\$1,003,098
Total Net of HST Recoveries			\$6,704,873	\$14,890,755	\$13,308,277	\$34,903,904

The Chief Financial Officer and Treasurer has been advised of the financial impacts associated with this report; these will be considered along with other priorities in future budget processes.

DECISION HISTORY

On July 11, 2025, Audit Committee received a status update on the Enterprise Work Management Solution (EWMS) Program's 2023 audit recommendations.

<https://secure.toronto.ca/council/agenda-item.do?item=2025.AU9.13>

On July 5, 2024, Audit Committee requested the Chief Technology Officer, in collaboration with the General Manager, Transportation Services, the General Manager, Solid Waste Management Services, the General Manager, Parks, Forestry and

Recreation, the General Manager, Toronto Water, and the Executive Director, Customer Experience, to report back to Audit Committee on the status of the Enterprise Work Management Solution Program's 2023 audit recommendations by June 30, 2025.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.AU5.12>

On December 13, 2023, City Council requested the Chief Technology Officer to report to City Council on the overall status of the Enterprise Work Management Solution Program by June 30, 2024, including the total expected cost of implementation, the benefits realized for divisions that have completed the implementation, and the planned benefit realization for the entire Enterprise Work Management Solution Program.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.AU3.4>

In August 2022, the Bid Award Panel granted authority to the Chief Procurement Officer to award Ariba Document Number 3548121167 to 2324523 Ontario Inc., (FAHM Technology Partners) for IBM Maximo Licenses and Support Subscription for the Technology Services Division.

<https://secure.toronto.ca/council/agenda-item.do?item=2022.BA202.6>

In November 2016, the Bid Committee granted authority to the Director, Purchasing and Materials Management to award Request for Proposal No. 3405-15-3052 to EMA Canada Inc. for Enterprise Work Management Solution.

<https://secure.toronto.ca/council/agenda-item.do?item=2016.BD112.1>

COMMENTS

The Enterprise Work Management Solution (EWMS) Program is a City-wide initiative to modernize City asset work management and service delivery. EWMS leverages IBM Maximo technology to integrate operations across service divisions including Transportation Services, Parks & Recreation, Environment, Climate & Forestry, Solid Waste Management Services, and soon Toronto Water. By replacing outdated systems with a unified platform, EWMS streamlines work planning, asset management, and service delivery for thousands of staff, and manages City assets valued at over \$120 Billion. It also supports timely and clear updates to residents on 311 service requests, in alignment with the City's Closing the Loop initiative.

To maintain operational continuity, the current on-premises platform is end-of-life and the City must replace it with IBM's upgraded cloud-based Maximo Application Suite as negotiated extended support for the discontinued system ends September 2026. This migration will support all participating divisions, including the rollout to Toronto Water (between 2025 to 2027), whose legacy work management system, Avantis, is also nearing end of life.

Transitioning Toronto Water directly to IBM's cloud-based Maximo Application Suite (MAS) platform through this contract ensures continued service delivery, minimizes risk of disruption, and positions Toronto Water for long-term operational efficiency. This approach focuses on enhancing the quality of information provided to customers and standardizing how service requests are managed across divisions.

Migrating to the upgraded platform is essential to maintain existing platform functionality, enable operational continuity, and avoid security risks of operating on legacy platforms in alignment with industry standards. It will also provide a more reliable system for new business units as they are onboarded and ensure legislative compliance and customer service standards are maintained.

CREM Transition to IBM MAS for Real Estate Management

The City's Corporate Real Estate Management (CREM) division manages a diverse portfolio of real estate assets using SAP Real Estate and Plant Maintenance applications. These applications will no longer be supported by SAP by the end of 2027. CREM requires an enterprise-grade, data-driven platform that consolidates all lifecycle real estate information, from acquisition and operation to end of life, into one centralized solution to be implemented before the sunset of the SAP solutions.

Following an independent third-party review, the City identified IBM Maximo Application as the enterprise platform best suited to meet CREM's needs. Therefore, the City recommends transitioning CREM to IBM MAS under the same contract. This migration will not only ensure continued support and reliability but resolve the issue of fragmented systems, enabling improved visibility, automation and efficiency for approximately 1,000 users across its operations.

This direction is also in alignment with Council adopted City-Wide Real Estate (CWRE) Strategy ([EX9.2](#)), which endorsed the creation of a unified real estate information platform to improve portfolio transparency and performance. This centralized platform will strengthen financial accountability, asset lifecycle planning, and service modernization by automating processes and streamlining manual and diverse systems to make data more accurate and timelier across lease, maintenance, and capital programs.

Procurement Approach

In February 2025 the City issued a competitive Request for Proposal (RFP) for IBM MAS for the EWMS cloud migration and Toronto Water rollout. The City received responses from four authorized IBM resellers – no supplier met the requirements of the RFP, and the procurement was deemed a failed solicitation.

Instead of proceeding with another RFP, the City is recommending procuring these licenses and services directly from IBM.

This allows the City to negotiate more favourable terms with IBM rather than accept the standard, fixed terms used by resellers. In particular, City staff have negotiated shared licensing across divisions, which will enable flexibility as EWMS expands, and enables the City to work directly with IBM's technical experts, which is essential given the complexity of the transition. This proposed non-competitive procurement also includes the software licensing and cloud environment required to enable CREM's unified real

estate information platform, which will allow CREM to access the beneficial negotiated terms. As CREM was not included in the original RFP, the City has determined in good faith that both the proposed procurement and the selected supplier, along with the terms and conditions of the contract are beneficial to the City (Toronto Municipal Code, Chapter 195, Procurement, Section 7.1.P.)

Managing the City's total Maximo product with IBM under a single contract simplifies legal and operational oversight for complex enterprise projects (compared to managing separate contracts with a reseller and IBM) and positions the City for deeper discounts by leveraging the City's total volume under one agreement. The City also confirmed that IBM's negotiated pricing are equal to or lower than those extended to similarly situated Canadian IBM clients.

The City is recommending a two-year term with one option year. This enables the City to continue to satisfy the EWMS Program timelines and objectives, meet Toronto Water's project critical path, and satisfy Auditor General recommendations while providing the flexibility to revisit the scope of services after the initial two years in response to changing technology needs and City capacity.

Prior to expiry of the proposed agreement with IBM Canada Ltd., the City will reassess competitive procurement options to ensure continued value for money, operational efficiency, and alignment with evolving industry standards.

The Fair Wage Office has reported that IBM Canada Ltd. has indicated that it has reviewed and understands the Fair Wage Policy and Labour Trades requirements and has agreed to comply fully.

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SIGNATURE

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