



STAFF REPORT ACTION REQUIRED

Microsoft Cloud Hosting and Support Services – Award of Contracts

Date: March 23, 2026
To: Toronto Public Library Board
From: City Librarian

SUMMARY

The purpose of this report is to seek Toronto Public Library Board approval to award non-competitive contracts to Microsoft Canada Inc. for Azure cloud hosting and Unified Enterprise Support services.

The total potential value of the commitment for Azure cloud hosting services is \$2,571,752 over a four-year term, from January 1, 2026, to December 31, 2029. The total potential value of the commitment for Microsoft Unified Enterprise Support services is \$527,084 over a three-year term. TPL currently has a contract with Microsoft for Unified Enterprise Support service that expires on November 17, 2026. The new contract will commence upon completion of agreement, from November 18, 2026, to November 17, 2029. The combined total potential value of both contracts is \$3,098,836 excluding Harmonized Sales Tax (HST).

The contract awards are being made in accordance with TPL's Procurement Policy, Section 6 Non-Competitive Solicitations, which allows for the provision of deliverables where there is the existence of exclusive rights such as patent, copyright, license or warranty restrictions.

TPL utilizes Microsoft Azure as its primary cloud hosting platform for enterprise systems, data and analytics capabilities, identity management services, and broader modernization initiatives. In accordance with TPL's Enterprise Agreement with Microsoft, Azure cloud hosting services are procured directly from Microsoft as the designated and sole provider. Direct procurement from Microsoft Canada Inc. provides TPL with best overall value for these services.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. award a contract to Microsoft Canada Inc. for the supply of Azure cloud hosting services for a four-year term from January 1, 2026, to December 31, 2029, at a value of \$2,571,752 (excluding HST); and
2. award a contract to Microsoft Canada Inc. for the supply Unified Enterprise Support services for a three-year term from November 18, 2026, to November 17, 2029, at a contract value of \$527,084 (excluding HST).

FINANCIAL IMPACT

The total potential value of the commitment to Microsoft Canada Inc. for the supply of Azure cloud hosting service and Unified Enterprise Support services is \$3,098,836, excluding HST. The estimated annual costs for each service are shown in the following table.

Description	2026	2027	2028	2029	Total
Azure Cloud	\$642,938	\$642,938	\$642,938	\$642,938	\$2,571,752
Unified Support*	\$175,245	\$174,671	\$177,168		\$527,084
Total	\$818,183	\$817,609	\$820,106	\$642,938	\$3,098,836

*The payment for Unified Support in 2028 will cover the period from November 2028 to November 2029

Annual funding for Azure cloud services and Unified Enterprise Support is included in the approved 2026 Operating Budget. Funding for subsequent years will be included in future Operating Budget submissions as required.

The Director, Finance & Chief Financial Officer has reviewed this financial impact statement and agrees with it.

ALIGNMENT WITH STRATEGIC PLAN

This commitment of funds for Microsoft Azure cloud hosting and Microsoft Unified Enterprise Support directly enables TPL’s 2025–2029 Strategic Plan by ensuring staff have secure, modern, and reliable technology foundations required to deliver exceptional customer service and support digital literacy outcomes. These services support the Strategic Plan objectives of equipping staff with the skills and tools to support digital literacy and champion library services through technology-enabled service delivery.

This investment also directly advances the 2025–2029 Digital Strategy, which prioritizes a secure, resilient, integrated, scalable, and stable technology environment to deliver meaningful service improvements. Microsoft Azure hosting provides the core cloud platform required to operate and modernize digital services reliably, while Microsoft Unified Support strengthens operational resilience through available 24/7 incident response support, escalation management, proactive services, and technical training that reduces downtime and supports continuous improvement.

Direct alignment to the Digital Strategy includes:

Technology Foundation (Priority Area 5)

- Supports the goal of secure, resilient, integrated, scalable, and stable technology; enables strengthened disaster recovery and service availability, improved cybersecurity response management, and advancement of IT security controls and processes.

Connected Workplace (Priority Area 3)

- Enables a digitally enabled workplace by supporting platform modernization, staff enablement through training and change management, and service delivery improvements.

Data-informed Decisions (Priority Area 4)

- Supports accessible, actionable data by enabling a scalable data and analytics foundation, platform management efficiency, and improved governance and data quality practices.

Microsoft technologies represent a foundational component of TPL's digital environment, supporting community digital literacy enablement, operational excellence, and enterprise cybersecurity management. This commitment continues that foundation by ensuring the cloud hosting and specialized support required to sustain and improve TPL's digital services over the next four years.

EQUITY IMPACT STATEMENT

A commitment to Microsoft Azure cloud hosting and Unified Enterprise Support strengthens TPL's ability to deliver equitable, accessible, and reliable digital services to all Torontonians. Cloud-hosted platforms improve service availability and resilience, which benefits customers who rely on the library for internet access, digital literacy programs, and online services. Stable infrastructure and specialized support also enable staff across all locations to deliver consistent, high-quality service.

DECISION HISTORY

At its meeting on April 22, 2025, the Library Board approved TPL's [2025–2029 Digital Strategy](#), which includes objectives for modernized digital services and staff enablement. This award directly supports those objectives.

At its meeting on April 22, 2025, the Library Board approved TPL's [Microsoft M365 User License Renewal – Award of Contract](#), reaffirming a foundational relationship with Microsoft for the availability of critical business software to support objectives for modernized digital services and staff enablement.

ISSUE BACKGROUND

Azure Cloud Hosting

TPL uses Microsoft Azure as its primary cloud hosting platform for enterprise applications, data and analytics services, identity management, and modernization initiatives. Azure's secure and scalable architecture supports TPL's digital ecosystem.

TPL's previous contract for Microsoft Azure hosting leveraged an Ontario Education Collaborative Marketplace (OECM) contract for software license products and related services through an accredited Microsoft license solution provider.

TPL has established an Enterprise Agreement for Microsoft products. In alignment, Azure cloud hosting services are procured directly from Microsoft. The award of this contract is retroactive to January 1, 2026, as continuity of service is critical to TPL digital operations while details of the transition were finalized.

Microsoft Unified Enterprise Support

Microsoft Unified Enterprise Support provides a comprehensive package of reactive and proactive support services, including 24/7 incident management, rapid escalation for critical Azure incidents, risk assessments, and technical training resources.

The current contract for Microsoft Unified Enterprise Support service was awarded under the City Librarian's authority and in accordance with TPL's Procurement

Policy, Section 6 Non-Competitive Solicitations for a one-year term from November 18, 2025, to November 17, 2026.

COMMENTS

A four-year commitment to Azure hosting and Unified Support provides operational continuity for core digital services, strengthens cybersecurity and service resilience, and supports scalable modernization. Unified Support provides pricing stability over the term and includes proactive services that support platform optimization and capability building across Azure and the broader Microsoft ecosystem.

The award of these contracts is being made in accordance with TPL Purchasing Policy, Section 6 - Non-Competitive Solicitations. Non-competitive procurements are appropriate as both Azure cloud hosting and Unified Support are proprietary offerings available only from Microsoft. Direct procurement from Microsoft Canada Inc. provides TPL with best overall value for these services.

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SIGNATURE

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