

Report to Corporate Services Committee

To: Chair and Members
Corporate Services Committee

From: Jacqueline Davison, Deputy City Manager, Enterprise Supports

Subject: Human Resources Information System Software Acquisition - RFP21-09

Date: November 22, 2021

Recommendation

That, on the recommendation of the Deputy City Manager, Enterprise Supports, the following actions **BE TAKEN** with respect to the selection of a vendor for the Human Resources Information System ('HRIS') for the Corporation of the City of London (the 'Corporation'):

- a) The proposal submitted by SAP Canada Inc, 22 Bay St. Suite 1800, 1900, 2000, P.O. Box 41 Toronto On, M5K 1B7 for the HRIS software for the City of London **BE ACCEPTED** in accordance with section 12.2 of the Procurement of Goods and Services Policy;
- b) The price submitted by SAP Canada Inc at the proposed first year cost of \$103,000 (excluding H.S.T.), and subsequent years annual cost of \$217,000 (excluding H.S.T), for five (5) years as the initial term, and the optional renewal term of five (5) additional one (1) year terms, at sole discretion of the City, **BE ACCEPTED**, it being noted that the financing for this acquisition is contained within the Council approved operating budget;
- c) Civic Administration **BE AUTHORIZED** to undertake all administrative acts that are necessary in connection with this acquisition;
- d) Approval herein **BE CONDITIONAL** upon the Corporation entering into a formal agreement or having a purchase order, or contract record relating to the subject matter of this approval; and,
- e) The attached proposed by-law (Appendix "A") **BE INTRODUCED** to delegate the approval of the agreement for the HRIS software to the Director, People Services and to provide the Mayor and City Clerk authority to execute the Agreement.

Executive Summary

The Corporation, over the past many years, has grown in size and complexity. Similarly, the size and complexity of the Corporation's workforce has grown. To date, the Corporation has been able to lead its workforce through many multiple non-integrated People Services related systems that have been purchased or developed in-house, however, the Corporation's People Services system needs are now outpacing the current functionality of its systems, thus requiring the Corporation to develop numerous manual paper-based processes or non-integrated additional supplemental systems when business requirements cannot be met.

In an effort to bring these non-integrated People Services systems into one for everyone to access, the Corporation conducted a Request for Proposal ("RFP") and identified SAP Canada Inc as the successful proponent. SAP Canada Inc provides a software that offers a holistic and corporate approach to better serve the needs of all, including managers and employees. Furthermore, this solution will allow the Corporation to reduce

or eliminate the many paper-based processes that are currently utilized and provide a powerful tool for tracking, reporting, and analyzing People Services related functions.

Linkage to the Corporate Strategic Plan

Council's Strategic Plan for the City of London identifies several strategic areas of focus including 'Leading in Public Service'. This undertaking supports the following specific strategies outlined in the 2019 - 2023 Strategic Plan:

- Increase the use of technology to improve service delivery: continue to maintain, build, and enhance a high-performing and secure computing environment;
- Attract and retain a talented workforce;
- Maintain a safe and healthy workplace; and,
- Enhance the ability to respond to new and emerging technologies and best practices: deliver and maintain innovative digital solutions to increase efficiency and effectiveness across the Corporation.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

2020 – 2023 Multi Year Budget City of London – Business Case #11 Part B

2.0 Discussion and Considerations

2.1 Purpose

The purpose of this report is to seek approval from Corporate Services Committee and Council to award the HRIS software to SAP Canada Inc at the proposed first year cost of \$103,000 (excluding H.S.T.), and subsequent years annual cost of \$217,000 (excluding H.S.T), for five (5) years as the initial term, and the optional renewal term of five (5) additional one (1) year terms. The lower annual cost in the first year is due to the ramping up of licenses during configuration of the application. This costing is based on employee licenses required and current scope. Additional license requirements in future years and amended scope may result in additional costs.

The contract includes the annual software subscription cost for the software. Civic Administration will undertake an RFP for a Software Implementation Partner once the contract for the HRIS Software provider is awarded. It should be noted that SAP Canada Inc has indicated that they will look to negotiate the terms of the contract if they are identified as the successful vendor.

2.2 Background

The Corporation's People Services system needs have far outpaced the current functionality of its existing systems, thus requiring the Corporation to develop numerous manual paper-based processes or non-integrated additional supplemental systems when business requirements cannot be met.

The Corporation is currently utilizing JD Edwards ('JDE') for storing employee related data, People Service set-up (required for payroll), processing payroll and year-end reporting. JDE is heavily interfaced with the Kronos time and attendance system which handles the Corporation's complex requirements across labour groups. Aside from these two major systems, many People Services processes across the Corporation rely on multiple non-integrated People Services related systems that have been purchased or developed in-house.

The recommended HRIS software would interface with JDE and Kronos, acting as the first point of entry for employee data and People Service set-up which is required by the other two systems. Additionally, the HRIS would bring key non-integrated People Services systems and significant new capabilities into one shared corporate system. Furthermore, this solution will allow the Corporation to reduce, or eliminate the many paper-based processes that are currently utilized and provide a powerful tool for tracking, reporting and analysis of People Services related functions.

2.3 Benefits

The following highlights just a few of the benefits to employees:

- The ability to provide employee and manager self service as well as the ability to provide one location for corporation communications and information.
- The ability to view employment related information (e.g., benefit plan, training requirements). Employees currently can only access their information by viewing their file in People Services.
- The ability to update their personal information (e.g., beneficiary, address, bank account, marital status). Currently, employees must complete paper forms to update information.
- The ability to notify employees of training/certifications that need updating. The Corporation currently relies on manual systems.
- Enhance the ability to receive and complete online training. The Corporation currently relies on a significant amount of in classroom training.
- The ability to locate answers and information quickly without the need to consult with People Services.
- The ability to significantly increase employee engagement by allowing employees access to People Services data such as career pathing, development, and succession plans.
- The ability to streamline the new employee on-boarding process enhancing the employee experience.

The following highlights just a few of the benefits to managers:

- The ability to track, report and develop dashboards on People Services related metrics for their area. Currently People Services related metrics by area are only able to be run by People Services and to a limited extent.
- The ability to track and monitor employee training and certifications in a system that will provide notice when outdated. The Corporation currently relies on manual systems.
- The ability to reduce the paperwork processes currently required to perform employee transactions (e.g., job changes, salary changes).
- The ability to trigger actions with alerts and reminders of milestone dates such as probationary expiration dates, licenses, and certifications.
- The ability to locate answers and information quickly without the need to consult with People Services.
- The ability to view online applicants for job postings and to track the status of job postings.

The following highlights just a few of the benefits to People Services:

- The ability to streamline People Services related processes (e.g., recruitment and selection, learning).
- The ability to develop automated workflows and integrations reducing the need for paper-based transactions and risk of errors as a result.
- The ability to reduce the paperwork processes currently required to perform employee transactions (e.g., job changes, salary changes); the Corporation currently relies on a significant number of paper-based processes.
- The ability to store employee related data in one system. The Corporation currently stores this data in many different systems and file cabinets.
- The ability to track, report and develop dashboards on People Services related metrics which would provide for better analysis and more effective People Services related decision making.
- The ability to host People Services related documents (e.g., handbooks, procedures, guides) in one system.
- The ability to develop and deliver online training to employees.
- The ability to enhance the organizational culture utilizing the various social networking capabilities available.
- The ability to update People Services information directly.
- The ability to simplify, standardize and automate business processes to enable a more employee centered approach.
- The ability to enhance the employee experience allowing People Services to focus on more strategic work.
- The ability to provide visibility into the entire workforce including diversity and inclusion metrics, employee skills, education, and experience to assist with development and succession.

2.4 Purchasing Process

On May 17, 2021, on behalf of People Services, Finance, Information Technology Services, and Purchasing and Supply, the Corporation issued a formal RFP (RFP 21-09) for the HRIS software acquisition to source qualified proponents who can provide HRIS software. After the RFP was posted, there were six (6) addendums issued to respond to questions, inquiries, and requests for clarification. When the RFP closed, five (5) submissions were received, and all five (5) were compliant.

A two-envelope RFP process was used - one envelope contained the technical and functional requirements, and the second contained the pricing proposal. Nine (9) evaluation committee representatives from People Services, Finance, and Information Technology Services evaluated the five (5) submissions based on the criteria outlined in the RFP document. Of these, the proponents with the top two (2) scores were evaluated further through a presentation and interview with the evaluation committee. At the end of this process, the proponent with the highest score, demonstrating their ability to meet the Corporation's requirements was SAP Canada Inc at the proposed first year cost of \$103,000 (excluding H.S.T.), and subsequent years annual cost of \$217,000 (excluding H.S.T), for five (5) years as the initial term, and the optional renewal term of five (5) additional one (1) year terms.

2.5 Financial Impacts/Considerations

The budget required for the acquisition of the HRIS software was approved as part of the 2020 – 2023 Multi Year Budget (see additional investment Business Case #11 Part B).

Conclusion

Civic Administration is seeking the approval of the Corporate Services Committee and Council to award the contract for the HRIS software to SAP Canada Inc. The recommendation is based on the Corporation's RFP evaluation committee's results, which are inline with the Corporation's Procurement of Goods and Services Policy.

Prepared by: Gary Bridge, Manager Health, Safety, Wellness & People Systems

Submitted by: Michael Goldrup, Director People Services

Recommended by: Jacqueline Davison, Deputy City Manager, Enterprise Supports

Appendix “A”

Bill No.
2021

By-law No.

A by-law to authorize the Director, People Services to approve the agreement between The Corporation of the City of London and SAP Canada Inc. for a Human Resources Information System and to authorize the Mayor and City Clerk to execute the Agreement

WHEREAS subsection 5(3) of the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended, provides that a municipal power shall be exercised by by-law;

AND WHEREAS section 9 of the *Municipal Act, 2001* provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

AND WHEREAS subsection 10(2) of the *Municipal Act, 2001* provides that a municipality may pass by-laws respecting services and things the municipality is authorized to provide under subsection 10(1);

AND WHEREAS Council approved the proposal submitted by SAP Canada Inc. to provide a human resources information system conditional on the Corporation entering into a formal agreement;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. The Director, People Services is authorized to approve the agreement between The Corporation of the City of London and SAP Canada Inc. to provide a Human Resources Information System.
2. The Mayor and City Clerk are hereby authorized to execute the agreement approved by the Director, People Services pursuant to their authority under section 1 of this by-law.
3. This by-law shall come into force and effect on the day it is passed.

PASSED in Open Council on

First Reading –
Second Reading –
Third Reading –

Ed Holder
Mayor

Catharine Saunders
City Clerk