



**To:** General Purposes Committee **Date:** January 11, 2023  
**From:** Grant Fengstad **File:** 04-1300-01/2022-Vol  
 Director, Information Technology 01  
**Re:** **Award of Contract 8072P – Workforce Management Solution and Services**

**Staff Recommendation**

1. That Contract 8072P – Workforce Management Solution be awarded to Kronos Canadian Systems Inc., for an estimated contract value of \$719,584, excluding taxes, for an initial contract term of two years, as described in the report titled “Award of Contract 8072P - Workforce Management Solution and Services”, dated January 11, 2023, from the Director, Information Technology; and
2. That the Chief Administrative Officer and General Manager, Finance and Corporate Services be authorized to execute the contract with Kronos Canadian Systems Inc.; and
3. That the Chief Administrative Officer and General Manager, Finance and Corporate Services be authorized to extend the contract at the end of the initial contract term for an additional five years, up to the maximum total term of seven years, for a maximum contract value of \$1,749,904, excluding taxes, as described in the report titled “Award of Contract 8072P - Workforce Management Solution and Services”, dated January 11, 2023, from the Director, Information Technology.

Grant Fengstad  
Director, Information Technology  
(604-276-4096)

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Finance Department	<input checked="" type="checkbox"/>	
Public Works	<input checked="" type="checkbox"/>	
Community Services	<input checked="" type="checkbox"/>	
Human Resources	<input checked="" type="checkbox"/>	
<b>SENIOR STAFF REPORT REVIEW</b>	<b>INITIALS:</b> 	<b>APPROVED BY CAO</b> 

## Staff Report

### Origin

The City continues its technological advancement through the implementation of the Council-endorsed Digital Strategy. The vision of the strategy is to ‘optimize and integrate business processes which leverage technology innovation to deliver exceptional services’. The goals of the Workforce Management System are to enable self-service capabilities and automation; increase efficiencies in the management of the City’s workforce; comply with various regulations and enable the elimination of manual and paper-based processes.

Over the last 20 years, the City has implemented a number of independent systems that provide services including Payroll, Human Resources, Community Services Scheduling, Public Works Service Requests and Work Order Management. Each of these systems stores and maintains workforce data independently that is isolated in each system and limits the City’s ability to consolidate important information on its workforce. Aggregating and consolidating this information will provide better forecasting, planning, and improving the delivery of services.

This project provides a “single stop portal” that will be utilized City-wide for payroll, scheduling, leave management, as well as maintaining staff training and certification records. Some of the key benefits of this solution are:

- Automation of staff scheduling and callouts according to rules based on business and collective agreement requirements, considering scheduled leave, reported sick time and other events that may disrupt a schedule. This significantly reduces manual effort on periodic scheduling, minimizes human error and reduces the turnaround time in responding to emergency needs.
- With leave management automation, all leave requests and approvals are entered and tracked within the new system. A holistic view of staff availability is presented in real time with no human intervention needed. This will enhance workforce planning to make sure that adequate resources are available to run the City's day-to-day operations.
- Timesheet submission and approval processes for time entries within the system would be used to fully automate the payroll process. Time entries can also be validated by leave requests and schedules. This reduces time entry errors and turnaround time in payroll processing.
- Maintaining staff training and certification records in the system not only facilitates scheduling and callout, but also ensures that up to date records are available. The system assists management by ensuring skills and certifications are maintained through an automated process.
- All workforce data will reside in a single system; therefore, data assessments can more easily be performed for workforce analysis and forecasting.

The purpose of this report is to present the results of the public tendering process for Contract 8072P and provides a recommendation for award of contract to Kronos Canadian Systems Inc. for Workforce Management Solution and Services.

This report supports Council's Strategic Plan 2018-2022 Strategy #4 An Active and Thriving Richmond:

*4.2 Ensure infrastructure meets changing community needs, current trends, and best practices.*

This report supports Council's Strategic Plan 2018-2022 Strategy #5 Sound Financial Management:

*5.1 Maintain a strong and robust financial position*

*5.2 Clear accountability through transparent budgeting practices and effective public communication.*

## **Analysis**

### RFP Process

A Request for Proposals 8072P – Workforce Management Solution and Services was posted to BC Bid on June 9, 2022 and closed on July 22, 2022.

The following describes the full scope of services that are required by the City:

- Leave Management – employee self-service on leave request and manager approval
- Training and Certification – employee training and certification maintenance
- Scheduling – auto-scheduling according to pre-defined rules, employee leave schedules and training and certification requirements
- Time and Attendance – employees submitting bi-weekly time entries for payroll
- Payroll – validation of time entry for payroll processes
- Security - Secured and highly available system

One proposal was received by the closing date from Kronos Canadian Systems Inc. Kronos is the market leader providing Enterprise-grade Workforce Management solutions.

### Review Process

The proposal was evaluated by City staff and consisted of a two-phased evaluation process. The first phase involved independent reviews of each proposal scored against the following criteria:

- Schedule of Pricing
- Corporate Background, Team Qualifications & Experience
- Approach
- Technical Requirements

- **Functional Requirements**

The evaluation team initially scored the proposal at 77.08 percent based on the overall suitability to meet the requirements of the City.

Kronos Canadian Systems Inc. was invited to participate in a series of interviews with City staff and to provide demonstrations of their proposed solution. The proponent was assessed based on their responses to a series of pre-set interview questions, technical and functional clarifications as well as several demonstration case scenarios. The total evaluation score awarded by the evaluation panel following the second phase evaluation was 69.9 percent.

The solution proposed by the Kronos team provides maximum flexibility to configure functionality and integrate with the City's multiple ERP systems and meet the City's business requirements that were described in the RFP. The product is currently used by many organizations, major cities and government agencies including the City of Calgary, the City of Hamilton and the City of New Westminster. To ensure that the City is equipped with a scalable, robust and secure solution, it is recommended that a contract be awarded to Kronos Canadian Systems Inc.

### **Financial Impact**

The project was previously approved by Council with available funding of \$790,258. The estimated total cost of the proposed contract over the initial two-year term is estimated at \$719,584, including contingency is summarized in Table 1.

Table 1 –Estimated Total Cost over Initial Two-Year Implementation Contract Term

<b>Description</b>	<b>Costs</b>
Implementation (Professional Services) Cost	\$279,505
+ Contingency 10%	\$27,951
<b>Total Implementation Cost (One Time / Capital)</b>	<b>\$307,456</b>
Software Subscription Cost – Year 1	\$206,064
Software Subscription Cost – Year 2	\$206,064
<b>Total Software Subscription Cost</b>	<b>\$412,128</b>
<b>Total Contract Value (Implementation Phase – 2 Years)</b>	<b>\$719,584</b>

The City has the option to extend the contract for additional five one-year terms under the same terms and conditions with no increase in operating costs (OBI). The estimated cost associated with extending the contract to a maximum seven-year term is summarized in Table 2.

Table 2 – Estimated Total Cost over Maximum Seven-Year Contract Term

<b>Description</b>	<b>Costs</b>
Implementation Contract Value (Table 1)	\$719,584
Software Subscription Cost – Year 3	\$206,064
Software Subscription Cost – Year 4	\$206,064
Software Subscription Cost – Year 5	\$206,064
Software Subscription Cost – Year 6	\$206,064
Software Subscription Cost – Year 7	\$206,064
<b>Total Cost</b>	<b>\$1,749,904</b>

**Conclusion**

Kronos Canadian Systems Inc. can deliver the scope of work and requirements described in the RFP for the Workforce Management Solution project. Staff recommend awarding a contract to Kronos Canadian Systems Inc. for \$719,584.00, exclusive of taxes, over the initial two-year contract term, which may be renewed for a maximum of five (5) additional one (1) year terms.



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