

# Staff Report to Council

**Title:** Award Payroll RFP

**Report Number:** Financial Services-2023-25

**Director:** Corporate Services

**Manager:** Financial Services

**Meeting Date:**

Wednesday, September 27, 2023

**Date to be considered by Council:**

Wednesday, September 27, 2023

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## Recommendation:

That Council accept the recommendation to award a contract to UKG with a total value of \$211,850.00 for a time and attendance and payroll system.

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## Executive Summary:

The Financial Services division identified the need to improve the current method of time reporting and payroll processing in the 2023 budget. The payroll system has been the same since 2003 and requires updates. Timesheets are an incredibly manual process and with the implementation of an online system, time and attendance can be properly tracked. A request for proposal (RFP) was issued in June 2023 and staff are recommending to award the project to the highest ranking bidder, UKG. Once implemented, a new payroll system will reduce the overall time required for completing and approving timesheets, and will improve reporting and decision making.

## Strategic Priorities:

D.17-Improve organization efficiency and be more innovative

## Financial Considerations:

The project implementation costs are \$24,650 and are within the approved capital budget of \$50,000. Annual fees of \$46,800 will be included in the 2024 operating budget and beyond. The contract value is based on the implementation fee plus four years of operating fees.

## Policy:

2023 Budget

Procurement Policy

## **Context and Background Information:**

The 2023 Capital Budget includes \$50,000 for the implementation of a new time and attendance and payroll system. An RFP was issued through the online Bids & Tenders platform. The Municipality received two bid submissions for review.

The Evaluation Team consisted of Treasury and HR staff and proposals were evaluated based on the following criteria:

- Company Background and Capacity
- Project Team and Key Individuals
- Proposed Approach and Workplan
- Solution Overview/Requirements
- Value Added Services
- A demonstration of the product
- Review of references of comparable municipal customers

Staff are recommending awarding the contract to the highest-ranking bid, UKG, for the following reasons:

- Large workforce management company with several years of experience in implementing cloud based solutions
- Will automate existing manual processes, reduce redundancies and the duplication of data entry through integration and workflow processes
- Increase self-service capabilities for staff
- User friendly mobile app and web browser
- Enhance management's capability to lead the business based on timely, reliable and valuable information
- Reduce administrative costs
- Improve scheduling and time reporting
- Remote access to information
- Audit trail for all system entries and changes
- Ongoing system support
- Improved security features

Implementation is a fixed fee of \$24,650, while annual fees are \$46,800. Annual licensing fees include unlimited 24/7 support for all staff based on their permission levels.

Anticipated cost savings and productivity enhancements post-implementation include:

- current scheduling software: ~\$2,000 annually
- current payroll system: ~ \$1,000 annually
- elimination of overtime for processing payroll: ~ 5-6 hours bi-weekly
- employee and manager time savings in approving timesheets and managing time off requests.

The advantages of implementing an online payroll system include the following:

- Eliminate use of Excel spreadsheets, manual data entry, reduce data entry errors, and duplication of work/files
- Improve visibility and for both employees and management, including self-serve functionality to update banking and other information, and providing access to real-time information on compensation and benefits
- Built-in scheduling module to replace a variety of standalone software currently used by multiple departments
- Reduced administration time for new hires and onboarding
- Ability to produce a variety of payroll reports, including customized reporting, to assist in budgeting and decision-making
- Automated workflow approvals for time-off and scheduling requests
- Streamlining and automation of processes and a centralized workforce database in one master system of record between payroll and HR.

### **Consultation Overview:**

This project will impact all staff at the Municipality of Kincardine. Many staff have recommended upgrading the current time and attendance system for years and are excited to move forward with this project.

### **Origin:**

Capital Project in the 2023 budget.

### **Implementation Considerations:**

There will be a significant amount of staff time required to implement this new system including data migration, configuration and testing. It is anticipated that go-live would occur in Spring-Summer 2024.

Council will be updated with the year-end capital analysis report as to the status of the project at that time.

### **Risk Analysis:**

The risk of not implementing a new payroll system includes continuing with the status quo, which does not adequately support the administrative needs of our growing municipality. Staff continue to face challenges in accessing information including vacation time availability, and departmental supervisors continue to create work-arounds for scheduling, sick time and vacation time requests.

Having a system that can generate reports for vacation, sick time utilization, and overtime hours can assist in making better decisions by the management team. It will provide increased transparency for managers and can improve scheduling requirements. Additionally, it will reduce the potential for manual data entry errors.

There will be enhanced security features compared to the current system. Roles will be permission-based and access will utilize multifactor authentication. Payroll administrators will have separate IDs and audit trail reports will be readily available.

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**Attachments:** N/A

**Prepared by:** Shelby Clancy, Manager of Financial Services

**Submitted by:** Shelby Clancy, Manager of Financial Services