

NO: R112

COUNCIL DATE: June 10, 2024

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **June 6, 2024**

FROM: **General Manager, Corporate Services**

FILE: **1220-01**

SUBJECT: **Award of Contract No. 1220-030-2023-006 for Workforce Management Solution**

RECOMMENDATION

The Corporate Services Department recommends that Council:

1. Award Contract No. 1220-030-2023-006, for a Workforce Management Solution to UKG Inc. for an initial five-year term in the total amount of \$3,883,544.00, including applicable taxes;
2. Set the expenditure authorization limit for the first five years of Contract No. 1220-030-2023-006 at \$4,271,898.40, including contingency and applicable taxes;
3. Approve the option to extend Contract No. 1220-030-2023-006 for two additional one-year terms at the City's sole discretion to a maximum amount of \$696,445.09 per year, including contingency and applicable taxes; and
4. Authorize the General Manager, Corporate Services Department to execute Contract No. 1220-030-2023-006 and contract amendments, subject to satisfactory performance from the vendor and any other related considerations, adjusting the cost of the services based on the Vancouver Area Consumer Price Index ("CPI") as published by Statistics Canada for any option extension terms.

INTENT

The purpose of this report is to obtain Council approval to award Contract No. 1220-030-2023-006 (the "Contract") to UKG Inc. ("UKG") to implement their UKG Pro Workforce Management Software for a five-year term including annual licensing, and support, with the option to extend for up to two additional one-year terms.

BACKGROUND

Workforce Management Solution

The City of Surrey relies on a variety of systems, spreadsheets and other manually maintained sources to manage staff scheduling and timesheet entries for approximately 5,000 employees, many of whom serve the community 24 hours per day, seven days per week. To support the City's

organizational commitment to continuous improvement and excellence in service delivery, it is necessary to implement a modern workforce management system.

The City completed a business case for workforce scheduling to validate the rationale and objectives for undertaking the project and to review the potential alternatives. It also included an organizational impact assessment, risk assessment, and a cost estimate for project completion. The business case, recommended that the City identify and procure an organization-wide workforce management solution.

The City anticipates utilizing the proposed solution to address time intensive manual processes associated with roster development, leave management, shift trades, overtime management and call-out notification to improve service delivery to the public and reduce the labour cost of managing schedules. Automating these processes will save the City thousands of labour hours each year across the organization and ensure better compliance with relevant collective agreement and Employment Standards Act provisions.

It is expected that this workforce management software system will be used by staff across multiple City departments including Parks, Recreation & Culture, RCMP, By-Laws, Engineering Operations, Planning & Development, and Surrey Public Library.

Procurement Process

The City initiated a Request for Proposal (“RFP”) 1220-030-2023-006 Workforce Management Solution, which was released in October 2023 and closed on December 6, 2023, with the City receiving a total of 15 responses.

Evaluation Process

The following staff were involved in the procurement process:

Steering Committee, which is responsible for the vendor selection, included:

- Chief Information Officer (“CIO”)/Project Sponsor;
- IT Manager, Business Applications & Digital Services; and
- Community and Recreation Services Division Manager; and

Additionally, the CIO/Project Sponsor, consulted with the following senior staff and consultants:

- General Manager, Finance;
- General Manager, Engineering;
- General Manager, Parks Recreation & Culture;
- Chief Librarian; and
- Gartner Research; and

A Solution Selection Team, comprised of 11 technical specialists from various stakeholder departments was also involved in the RFP process.

All submissions were evaluated by the Solution Selection Team, in consultation with the Purchasing Section, and consistent with the criteria stipulated in the solicitation document. The proposals were evaluated against the following criteria:

- a. Experience, Reputation and Resources;
- b. Technical;
- c. Approach and Methodology, implementation timeline; and
- d. Financial.

The Solution Selection Team reviewed all 15 RFP submissions and shortlisted five vendors to proceed to the demonstration stage. The five vendors shortlisted for demonstration were:

- a. Ceridian (Dayforce);
- b. Deloitte (Workforce);
- c. EPI – USE (Workforce);
- d. Infor (Infor Workforce Management); and
- e. UKG-Kronos (UKG Pro Workforce Management).

The table below lists the proposed costs of the 5 vendors:

Vendor	Proposed Amount (Seven Year Cost – 5yr initial term plus 2 one-year extensions), including applicable taxes
Infor	\$4,586,310
UKG - Kronos	\$5,110,376
Ceridian/Dayforce	\$7,207,460
EPI-USE	\$7,235,626
Deloitte	\$9,321,326

While the shortlisted vendors were all deemed to be reputable and experienced proponents in the field of Workforce Management solutions, an in-depth assessment of each vendor’s price, methodology, demonstration of their respective solution, and level of resources available to sufficiently deliver on the City’s requirements, revealed material differences between the vendors.

Based on the Solution Selection Team’s assessment, it was deemed that UKG will substantially provide the best value for the City and accordingly UKG was selected, in part, for the following reasons:

- a. UKG submitted the second lowest price for the first five years and subsequent one year renewals;
- b. The Solution Selection Team concluded that UKG’s fully mobile user interface, shift fill flexibility, call out, draft mode for scheduling, integration and reporting capabilities would best address the City’s requirements;
- c. UKG’s intuitive user interface will aid end user adoption and minimize additional expenditure to sustain ongoing training and support beyond the initial implementation; and
- d. UKG has a global presence and Canadian presence with many municipal clients and is a recognized industry leader in Workforce Management Software.

FUNDING

Funding for this project is included in the approved 2024-2028 Financial Plan.

Legal Services Review

This report has been reviewed by Legal Services.

CONCLUSION

The Solution Selection Team unanimously determined that the proposal submitted by UKG Inc. can best meet the City's requirements and provide the overall best value to the City. Accordingly, the Corporate Services Department recommends that Contract 1220-030-2023-006 for a Workforce Management Solution be awarded to UKG Inc.

Joey Brar
General Manager, Corporate Services