



# The Corporation of the Town of Milton

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Report To: Council

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From: Troy McHarg, Commissioner Corporate Services

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Date: January 18, 2021

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Report No: CORS-001-21

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Subject: Human Resources Information System (HRIS)

**Recommendation: THAT staff be authorized to proceed with a request for proposal process for the development and implementation of a Human Resources Information System (HRIS) technology solution as approved through the 2021 budget (C24012521).**

## EXECUTIVE SUMMARY

- The introduction of an HRIS software will allow the Town to efficiently manage employee and payroll data, streamline processes, reduce labour-intensive administrative tasks, improve data integrity and security, ensure compliance to legislation and agreements, and increase internal efficiencies in the organization.
- The need for the Town to establish an HRIS system has been identified through several processes including the Town's Service Delivery Reviews, Milton's People Strategy and such a system is also aligned with the Council - Staff Work Plan approved in ES-009-20.
- A cross functional team of staff from the organization along with Info-Tech Research Group has undertaken a market scan and needs assessment, and developed the resulting functional requirements, project plan and RFP document.
- As HRIS systems are scalable, the Town's focus will be on fundamental modules in areas such as employee records, scheduling, time and attendance, payroll administration, leave management, position and benefits management.
- The 2021 Capital Budget included \$3,340,017 for the implementation of an HRIS system, which includes vendor fees, hardware, software, training and backfilling of staff during a multi-year implementation period. Annual costs of \$424,993 were projected for licensing and IT support, and will need to be included in future operating budgets.
- If approved, the RFP process is projected to extend into the spring of 2021, with a report to Council to award expected by summer. Full implementation of a new system is expected by 2023. All timing and costing details can be further validated through the RFP process.



## REPORT

### Background

The current software to maintain employee records and process payroll has been in use by the Town since 1999. This system, CMiC (financial reporting software), delivers a software solution that is purpose-built for the US construction industry with deep rooted strengths in subcontract management, project management and related reporting capabilities. CMiC is not a Human Resources information System (HRIS), however, the Town currently utilizes the Human Resources (HR) and Payroll modules among other accounting and purchasing related functions within it.

As the number of staff have increased over the last twenty-two years, so have the complexities related to municipal workforce management, governing legislation, collective agreements and reporting requirements. Meeting these demands has required a significant increase each year in paper and Excel based processes, administration and data entry. Additionally, the lack of modern, intuitive, employee-accessible functions within CMiC to address challenges related to scheduling, time & attendance and payroll reporting has bottlenecked efficient operational processes across many service groups within the organization. As a result there has continued to be a growing need for a modern HRIS to manage employee and payroll data, streamline processes, reduce labour-intensive administrative tasks, improve data integrity and security, ensure compliance to legislation and agreements, and increase overall internal efficiencies across the Town.

The requirement for an HRIS strategy was formally identified in 2016 with work commencing in 2019 to identify and review the Town's core employee, scheduling and payroll-related processes. This involved significant input from various stakeholders throughout the entire organization and took into consideration the number of diverse employment classifications, hours of work and changing operational needs. Info-Tech Research Group was also retained by the Town to lend expertise and support to the process. Their work included guiding functional and technical requirements development, providing a market scan of both the software landscape and its specific application in the municipal sector, project planning and implementation guidance, as well as cost estimates. From these processes, the following priority improvement areas were identified as immediate and critical outputs to address the Town's most pressing operational challenges associated with workforce management:

- Core Human Resource Records
- Time and Attendance
- Scheduling
- Leave Management

The implementation of an HRIS was approved through the 2021 budget process (C24012521) and is directly aligned with many opportunities detailed through the Service

Delivery Review Phase 2 for the Corporate Services Department [CORS-063-20](#) as summarized below.

- Increase further automation of payroll linked to a new Human Resource Information System (HRIS) or an alternative delivery model (FIN19).
- Digitalized tracking of basic job requirements and qualifications such as criminal background checks and other training (First Aid, Working at Heights, job specific certifications as examples) across the organization (HR04).
- Implement centralized database of training records (HR05).
- Develop HR related training and supporting resources for people leaders and explore related learning and development modules within an HRIS system (HR06).
- HR & Payroll Communication, the implementation of a new HRIS can significantly impact the coordination of information by minimizing overlaps/gaps of the two areas, utilization of one central database for information to be input and stored directly and ability to leverage workflow capabilities (HR08).

Through the Council-Staff Workplan ([ES-009-20](#)), the HRIS project directly aligns to the following areas of focus:

- Planning for Growth
  - The workforce continues to evolve and change as the Town grows, program offerings increase and services expand. Maintaining employee records and payroll processes through the use of technology (HRIS) will help manage and reduce staff time and effort required in the processing of employment related transactions required to meet the growing demands.
- Community Attractiveness & Competitiveness
  - The introduction of automated processes through an HRIS, such as workflow, scheduling and imaging functionality, will support the Town's effort to reduce consumption of paper and other materials in support of environmentally sustainable solutions.
- Service Innovation
  - An HRIS will provide an opportunity to modernize and automate processes that are currently completed manually, improving the overall operations and services provided by HR and Payroll. In addition, the capabilities of an HRIS align with the execution of the People Strategy and Internal Communications priority identified through the workplan. Further information on how an HRIS aligns with service innovation is outlined separately within this report.

## Discussion

The Town currently operates using fragmented HR and payroll related systems, held together by labour-intensive manual processes. Core employee data is housed in CMiC, and multiple other tools are the primary source of other information increasingly being used by HR, Payroll and other departments. The lack of functionality and integration in

the current system has led to the adoption of multiple manual workarounds, resulting in the duplication of effort and data. This has led to many challenges including:

- Information/processes/knowledge not in a single system of record (i.e. paper, Excel or people). This creates insufficient and inconsistent sources of employee and payroll information for validation, analysis and reporting, increase in staff time and effort to maintain multiple data sources and compromises data integrity.
- Barriers to efficiently meet the evolving operational needs of the organization through the lack of intuitive and scalable functionality.
- Multiple sources of truth resulting in duplication of data, complicating data availability and reporting.
- Manual processes and lack of visibility into disparate systems, interfaces and lack of built-in workflow, creating inconsistent information and process inefficiencies.
- Increased HR, payroll, management and staff effort on administrative functions, including reliance on paper-based and Excel documents to manage staff schedules, hours of work, leaves entitlement and tracking.
- Reliance on makeshift tools to track key activities and metrics in lieu of existing systems satisfactorily able to do so; impacting the entire organization.
- Inability to readily provide basic level reporting to the organization.
- A lack of visibility into the true costs of operations and accordingly, the opportunities for efficiencies that exist in that uncertainty.
- Concerns around compliance and regulations with the cost of non-compliance and potential fines and/or audit implication being high.

To address these challenges, the Town is looking to select a modern HRIS that meets current needs and offers scalability to keep up with growth and change. An HRIS system will help facilitate the simplification, automation and streamlining of current HR and payroll processes to reduce inefficiencies and manual workarounds as well as deliver enhanced technology-enabled HR and payroll services.

Milton's Human Resources and Finance (Payroll) divisions serve approximately 1,100 full- and part-time employees and 1,250 volunteers throughout the year; the maximum number of employees at any given point in time is approximately 900. In 2019, the number of payments made to employees through payroll totaled 24,084, and a total of 1,452 T4 were issued. These volumes will continue to grow as the community expands and service delivery demands increase.

### **Link to the Council-Staff Workplan: Service Innovation**

The predominant driver is the need for a single system of record for all HR data. Shifting to a single, unified system will allow the Town to leverage technology to support service delivery and improve the employee experience. Without this technology it will become exceedingly difficult and complex for HR, payroll and people leaders to deliver the workforce optimization support and quality of service on which the community relies.

The implementation of an HRIS solution will have a Town wide impact and improve the efficiency of the operations within various processes across the entire organization. Efficiencies will be gained through significant time savings as a result of the time, attendance and scheduling workflow and expected reporting tool enhancements translating to opportunities for staff to focus on their core business and higher value activities that can better support the needs of a growing community.

An HRIS will reduce risk exposure related to compliance with legislation and collective agreements while enhancing overall decision-making capabilities. The system will strengthen privacy, security-related and environmental concerns by migrating away from manual paper-based processes and ensuring information is stored digitally in compliance with privacy requirements.

The People Strategy and Internal Communication was identified as a priority through the Service Innovation goal of the Council-Staff Workplan. The functionalities within an HRIS will assist with the focus areas identified through the People Strategy such as employee attraction and engagement, workforce and environment, talent development and leadership as well as Human Resources excellence.

## **Project Scope**

HRIS systems are very scalable and can be designed to incorporate a wide array of modules and functionality. The Town will be taking a measured approach to introducing a new system, with an initial scope that will focus on the following fundamental areas:

- Employee records
- Scheduling
- Time and attendance
- Leave Management
- Organization and position management
- Payroll administration
- Benefits management
- Onboarding and offboarding

The implementation of an HRIS will automate many of the factors, rules and constraints associated with the above functions, capture data through the use of multiple different tools, enable enhanced workforce planning, strengthen data integrity and provide digital access to support employee utilization through various self-service options.

While HRIS systems can offer a number of other value-added functionality such as learning and development, talent acquisition, performance management and workforce planning, the above noted functionality will be the primary focus in vendor selection to meet the immediate and critical needs of the Town.



The development and implementation of an HRIS is a large and complex project in nature and will involve a project team consisting of staff from Human Resources, Payroll and IT, with support and involvement of program staff from across the organization. The project will be led by a dedicated project manager to ensure continued focus and adherence to established scope, timeline, and budget. As an HRIS will benefit every department within the Town, the collaboration amongst stakeholders from every department will be essential through the life of this project, specifically in areas with a high concentration of part-time and unionized staff.

## **Timeline and Request for Proposal (RFP)**

Subject to Council approval of the recommendations herein, the Town will initiate a RFP process in order to collect competitive bids for an HRIS solution. Given the complexity of the potential solutions as well as the need to host product demonstrations and interviews before arriving at a preferred solution, the RFP process is expected to extend into the spring of 2021. As such, a report to Council for final approval is anticipated by the summer of 2021, after which contracts can be finalized and the project can be launched by the fall.

Evaluation of submissions will be based on criteria such as cost, firm and project team experience, methodology and deliverables, functionality, and value-add. A five year service contract, plus additional renewal options, is anticipated.

The amount of time required to implement the final solution can be further clarified once a preferred vendor has been selected with consideration for their proposed work plan. Staff currently anticipate that the new system will be operational in 2023.

## **Financial Impact**

The 2021 Capital Budget included the approval of \$3,340,017 for a Human Resources Information System. This total was developed in consultation with Info-Tech Research Group and includes estimates for vendor professional services, hardware, software, integration, training and backfilling of key staff during the multi-year implementation period.

This project is expected to result in annual operational expenses that were estimated at \$424,993 as part of the 2021 Budget process. The projected annual costs relate to service agreement fees and additional IT staffing to support the software. As this operating cost is not anticipated until the new system is in place, it has not yet been funded as a part of the approved 2021 operating budget. Instead new funding (most likely from property taxes) will need to be provided for through future budget process, likely beginning in 2023.



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The Town will receive further clarity on the capital and operating costs through the RFP process, such that Council can make an informed decision at the time of award of this project (expected by the summer of 2021).

Respectfully submitted,

Troy McHarg  
Commissioner, Corporate Services

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Attachments
None

CAO Approval  
Andrew M. Siltala  
Chief Administrative Officer