



The Corporation of the Town of Milton

Report To: Council

From: Glen Cowan, Chief Financial Officer / Treasurer

Date: May 31, 2021

Report No: CORS-029-21

Subject: Purchasing Various

Recommendation: THAT Council approve the budget amendments and related funding sources as outlined on Schedule A;

THAT the budget for capital project C70012321 in the amount of \$999,686 for a Rescue Fire Truck Replacement be accelerated from 2022 and funded from Fire Equipment Replacement Reserve as outlined on Schedule B;

THAT the scope of the 2021 Asphalt Overlay – Construction be revised to allow for Sidewalk and Multi-use Path Replacement on Derry Road through Halton Region’s road resurfacing program at an estimated amount of \$100,310 with funding from existing contingency, as outlined on Schedule C;

THAT the contract increase to Wood Environment & Infrastructure Solutions for peer review during the construction phase of the 16 Mile Creek Bridge Crossing in the total amount of \$48,663 (exclusive of HST) be approved as outlined on Schedule D;

THAT the proposal award for a Human Resource Information System implementation to Workday Ltd. in the total amount of \$1,375,590 (exclusive of HST) be approved as outlined on Schedule E;

AND THAT the annual maintenance contract for an initial period of up to five (5) years to Workday Ltd. in the total amount of \$1,405,091 (exclusive of HST) be approved as outlined on Schedule E;

AND THAT staff be delegated authority to renew the maintenance contract with Workday Ltd. for up to an additional two (2) years as outlined on Schedule E;

THAT the single source award to Musco Sports Lighting for LED lighting hardware and software upgrades at the Mattamy National Cycling Centre in the total amount of \$717,000 (exclusive of HST) be approved as outlined on Schedule F;

THAT staff be delegated the authority to award the contract for installation of the LED lighting hardware and software upgrades at the Mattamy National Cycling Centre following a competitive bidding process as outlined on Schedule F;

THAT the Manager, Purchasing and Risk Management be authorized to execute the contract(s), as outlined by the purchasing by-law, and the Mayor and the Town Clerk be authorized to sign any other required paperwork.

EXECUTVE SUMMARY

This report is being submitted to have Council's authorization on the various items on the attached Schedules. Requests are being made as per the guidelines outlined in the Purchasing By-law No. 061-2018 and the Budget Management Policy (Policy No.113).

REPORT

Background

Procurement of goods and services is governed by By-law No. 061-2018. Purchasing activity is undertaken in a manner that is intended to support the Town's mandate to provide effective, responsible government and efficiently deliver services to the residents of Milton.

Discussion

Information pertaining to the recommended purchasing awards is included on the corresponding Schedules (A to F) attached.

Included within the recommendations of this report is the implementation of a Human Resource Information System (HRIS). Authorization to proceed with the request for proposal was provided by Council following the presentation of report [CORS-001-21](#), which outlined the need, opportunity, scope, timeline and budget associated with the project. Funding for this project was approved through the 2021 budget process and once implemented, will deliver on objectives identified through both [Phase 2 of the Town's Service Delivery Review](#) as well as the [Council Staff Work Plan](#). In addition to the initial



Discussion

capital investment, there will be annual operating expenditures incurred in relation to the HRIS system.

Also included in this report are two budget amendments. The first is an acceleration of a capital budget for a rescue fire truck replacement from 2022. This acceleration will help mitigate the lengthy lead time expected due to required modifications, and help address existing condition and repair challenges that have been identified. The second is a change in scope to allow for completion of sidewalk and multi-use trail replacements along Derry Road as part of Halton Region's resurfacing program. No additional budget approval is being requested for this work as the existing contingency within the Town's project budget is expected to be sufficient.

Financial Impact

Financial impacts are outlined in detail on the attached Schedules A through F. The resulting funding adjustments are presented on Schedule A, and result in a net overall increase in approved capital budgets of \$999,686.

The implementation of the HRIS system will result in annual expenditures once the system operational. The multi-year operating budget forecast that was presented as part of the 2021 Budget process forecasted \$424,993 in annual cost for both the software and resource needs that were anticipated with the new system. These amounts will need be introduced into the approved annual operating budget beginning in the 2022 Budget process.

Respectfully submitted,

Glen Cowan
Chief Financial Officer/ Treasurer

For questions, please contact: Michelle Rasiulis, CSCMP, CPPB 905-878-7252, x2143
For questions, please contact: Deanne Peter, B.Comm., MBA 905-878-7252, x2316

Attachments

Schedule A - Reserve & Reserve Fund Transfers



The Corporation of the Town of Milton

Report #:
CORS-029-21
Page 4 of 4

Attachments

Schedule B – Budget Amendment for a Fire Rescue Truck

Schedule C – Budget Amendment for Sidewalk and Multi-use Path Replacement

Schedule D – Contract Increase for 16 Mile Creek Bridge Crossing

Schedule E – Proposal Award for a Human Resource Information System

Schedule F - Single Source for Velo Lighting Project

CAO Approval
Andrew M. Siltala
Chief Administrative Officer

Summary of Changes in Capital Project Budgets and Funding

| Schedule | B | Total Change in Funding Sources Increase / (Decrease) |
|---|--------------------------|---|
| Project Number | C70012321 | |
| Project Description | Rescue Truck Replacement | |
| Total Approved Project Budget | \$ - | |
| Equipment Replacement Reserve - Fire | 999,686 | 999,686 |
| Total Increase/(Decrease) in Funding | 999,686 | \$ 999,686 |
| Total Revised Project Budget | \$ 999,686 | |

| COUNCIL AUTHORITY FOR BUDGET AMENDMENT | |
|--|--|
| Project Details | Budget Amendment – Fire Fleet Equipment Replacement - Rescue Truck Replacement |
| Recommendation | THAT a new capital project, C70012321 Rescue Truck Replacement, in the amount of \$999,686 be approved, and be funded from Fire Equipment Replacement Reserve. |
| Purpose of Report | As per Budget Amendment Policy No. 113 Section 4.7.2 iii Council approval is required. |
| Background information | <p>As previously presented through the 2021 capital budget and forecast, this vehicle was budgeted to be replaced in 2022. However, due to lengthy lead time as a result of specific modifications required for the vehicle to be operational, it is recommended that staff proceed with the procurement process in 2021. As a result, staff are requesting that this capital project be advanced to 2021 with the capital forecast being reduced accordingly through the 2022 budget project process.</p> <p>This project is to replace Rescue Unit 14 - 2004 Metropolitan Vehicle currently located at Fire Station #1.</p> <p>Condition assessment indicates the following:</p> <ul style="list-style-type: none"> - Electrical system issues becoming more prevalent. - Corrosion impacting body hardware. - Original truck builder is no longer in business and therefore parts are not readily available. <p>Recent repair history indicates the following:</p> <ul style="list-style-type: none"> - Transmission issues – shifting problems - Engine wear indication presenting blow-by - Body hardware corroded and fractured. - Due to parts not being available, generic parts are being modified to perform repairs. <p>The cost estimate is based on an updated market assessment and may be subject to change due to foreign exchange impacts.</p> |
| Financial Planning Section: Budget Impact | |
| Account Number(s) | C70012321 |
| Account Description(s) | Rescue Truck Replacement |

| | |
|----------------------------------|--------------------------------------|
| Project Total Budget | \$0 |
| Budget Increase Requested | \$999,686 (Note 1) |
| Funding Source | Equipment Replacement Reserve - Fire |

Note 1: Represents an acceleration of funding that was previously forecasted for 2022 in the 2021 Budget process.

| COUNCIL AUTHORITY FOR BUDGET AMENDMENT | |
|--|--|
| Project Details | Budget Amendment – 2021 Asphalt Overlay - Construction |
| Recommendation | Staff are recommending the addition of sidewalk and multi-use path replacement on Derry Road to the scope of work for this project, in the estimated amount of \$100,310, to be funded from the existing contingency within the project. |
| Purpose of Report | As per Budget Amendment Policy No. 113 Section 4.7.2 i Council approval is required. |
| Background information | <p>As part of the Region’s design for the asphalt re-surfacing contract for 2021, the Region identified portions of sidewalk and multi-use path on Derry Road that require replacement. While these are located within the Region’s right of way, the sidewalks and multi-use paths are Town assets. In an effort to realize efficiencies and minimize disturbance to the public, the Region has proposed the replacement of these sections of sidewalk and multi-use pathway on Derry Road as part of their 2021 re-surfacing contract (currently scheduled to go to tender by the end of May 2021). The Region has provided the Town with a pre-tender estimate of \$100,310 (exclusive of HST) for this work, however actual costs will be invoiced to the Town, with back up being provided by the Region in the form of a payment certificate, which will detail the quantities and unit rates for this work.</p> <p>Therefore, staff are recommending the addition of sidewalk and multi-use path replacement on Derry Road to the scope of work for the asphalt overlay project, in the amount of \$100,310 (exclusive of HST) to be funded from contingency within the project.</p> <p>The Region will be tendering this work as part of their overall 2021 resurfacing program, which will follow the tender process as required by the Region’s purchasing by-law.</p> |
| Financial Planning Section: Budget Impact (includes non-refundable HST) | |
| Account Number(s) | C33900021 |
| Account Description(s) | 2021 Asphalt Overlay - Construction |
| Project Total Budget | \$ 10,532,883 |
| Contract Budget | \$ 0 |
| Actual (Net of HST Rebate) | \$ 102,075 |

| | |
|--------------------------|--------------------------------|
| Variance (Note 1) | \$ 102,075 (U) |
| Funding Source | Contingency within the project |

Note 1: Actual costs will be confirmed upon close of the Region’s tender, and will be managed by Program Area staff and reviewed with Financial Planning, with any variances being reported through the Variance process.

**COUNCIL AUTHORITY FOR CONTRACT AWARDS
CONTRACT INCREASE**

| | |
|-------------------------------|---|
| Project Award | Contract increase for additional services to Wood Environment & Infrastructure Solutions, for the 16 Mile Creek Bridge Crossing project. |
| Recommendation | Staff is recommending a contract increase for Wood Environment & Infrastructure Solutions in the total amount of \$48,663 (exclusive of HST). |
| Purpose of Report | As per Section 10.1 of Purchasing By-law No. 061-2018, Council approval is required. |
| Background information | <p>The current contract awarded to Wood for design peer review is \$28,278 (exclusive of HST), on Purchase Order C-17-65 R#19.</p> <p>The original award was \$23,383 (exclusive of HST), and change orders in the amount of \$2,500 (exclusive of HST, CORS-036-19) and \$2,395 (exclusive of HST) have been issued to-date.</p> <p>This contract increase of \$48,663 (exclusive of HST) is for peer review during the construction phase of the project. The contract administration and inspection of the project will be completed by the Boyne Landowners (facilitated by Delta Urban) directly and Wood's function will be to provide peer review and quality control on behalf of the Town. The cost of this work completed by Wood will be recovered from the Boyne Landowners/Delta Urban, in line with the 16 Mile Creek Road & Bridge Works and Reimbursement agreement.</p> <p>The new contract total will be \$76,940 (exclusive of HST).</p> |

Financial Planning Section: Budget Impact (Note 1)

| | |
|-----------------------------------|--|
| Account Number(s) | 3020-3736 |
| Account Description | Infrastructure Management –Consultants Recoverable |
| Project Total Budget | \$ 0 |
| Contract Budget | \$ 0 |
| Actual (Net of HST Rebate) | \$49,519 |
| Variance | \$49,519 (U) |
| Funding Source (Note 2) | Developer Contributions |

Note 1: Financial impact includes any non-refundable portion of HST.

Note 2: The costs will be recoverable from developers.

COUNCIL AUTHORITY FOR CONTRACT AWARDS PROPOSAL AWARD

| | |
|-------------------------------|---|
| Project Award | Proposal Award No. 21–504 for a Human Resource Information System |
| Recommendation | <p>Staff are recommending the award of the proposal for a Human Resource Information System to Workday Ltd. in the total amount of \$1,375,590 (exclusive of HST).</p> <p>AND THAT the annual maintenance contract be awarded for an initial period of up to five (5) years to Workday Ltd. at the annual amounts as outlined in the table below in the total amount of \$1,405,091 (exclusive of HST) for the five (5) year term, and that staff be delegated authority renew for up to two (2) additional years.</p> |
| Purpose of Report | As per Section 10.1 of Purchasing By-law No. 061-2018, Council approval is required for proposal awards over \$100,000. |
| Background information | <p>Through report CORS-001-21, Council authority was provided to move forward with the procurement of an HRIS solution as was approved in the 2021 budget. The Town currently uses numerous manual processes to maintain HR systems. To allow employee time to focus on value-add services and continuous improvement, staff are looking for operational efficiencies with internal systems and processes. Currently, CMiC is being leveraged as the system of record for employee data and will continue to be used for core Finance functions, including the general ledger. Between HR, Operational areas and Finance functions, the Town operates with fragmented HR-related systems, tied together by labour-intensive manual processes. While core employee data is housed in CMiC, multiple other tools are the primary source of other information increasingly being sought by HR and departments.</p> <p>Lacking functionality and integration has led to the adoption of multiple manual workarounds, resulting in the duplication of effort and data. This has led to many challenges:</p> <ul style="list-style-type: none"> • A recognition that operationally, the existing tools are a barrier to scalability and future operations • Multiple sources of record resulting in duplication of data, complicating data availability and reporting • Manual processes and lack of visibility into disparate systems creates inconsistent information • Increased HR effort spent on administrative, non- strategic functions • Redundant activity and functions contingent on a few critical roles • Reliance on makeshift tools to track key activities and metrics in lieu of existing systems satisfactorily able to do so; impacting the entire organization |

| | |
|---|---|
| | <ul style="list-style-type: none"> • A lack of visibility into the true costs of current operations, and accordingly, the opportunities for efficiencies that exist in that uncertainty <p>To address these challenges, the Town moved forward with a Request for Proposal to select an HRIS that meets the organization’s current needs and offers scalability to keep up with rapid growth. This will help Milton facilitate the simplification, automation and streamlining of current HR processes to reduce inefficiencies and manual workarounds as well as deliver improved technology-enabled HR services.</p> |
| <p>Purchasing Section: Bid Award Information</p> | |
| <p>Date bid issued</p> | <p>Wednesday, January 20, 2021</p> |
| <p>Advertisements</p> | <p>Biddingo, OPBA and Town of Milton website</p> |
| <p>Closing Date</p> | <p>Wednesday, March 3, 2021</p> |
| <p># of Plan takers</p> | <p>24</p> |
| <p>Proposal Submissions received</p> | <p>Proposals were received from the following companies:</p> <ul style="list-style-type: none"> Ceridian HCM Inc. Conserve Infotech Private Ltd HRPLink Inc. HR Strategies Consulting Inc. Deloitte LLP Rizing LLC Vigilant Consulting Services Inc. TELUS Sourcing Solutions Inc. Ultimate Kronos Group Inc. Nortek Solutions Inc. StarGarden Workday Ltd. |
| <p>Evaluation Criteria</p> | <p>The proposals were evaluated based on the following criteria:</p> |

| ITEM | EVALUATION CRITERIA | WEIGHT |
|-------------|--|---------------|
| 1. | Description of the Firm, Corporate Structure and Resources | 5 |
| 2. | Approach, Methodology, Deliverables and Work Plan | 20 |
| 3. | Project Resources and Relevant Experience | 15 |
| 4. | System Functional & Technical Requirements | 35 |
| 5. | Value Add | 5 |
| 6. | Proposal Costs | 20 |
| | TOTAL | 100 |
| 7. | References | Pass/Fail |

An evaluation team facilitated by Purchasing with representation from Human Resources, Payroll, Information Technology and Community Services evaluated the proposals against the established criteria and the following three (3) proponents were invited to an interview/demonstration of their product:

- Ceridian HCM Inc.
- HR Strategies Consulting Inc.
- Workday Ltd.

Workday Ltd. is the highest ranking overall proponent and is being recommended for this award.

The implementation of this contract is anticipated to take thirteen (13) months. The annual maintenance contract is initially being awarded for a period of up to five (5) years to 2027 at an annual amount, including a 2% increase in each year as follows:

| Term | Mtce. Fee | Year |
|--------|-----------|-----------|
| Year 1 | \$270,000 | 2022-2023 |
| Year 2 | \$275,400 | 2023-2024 |
| Year 3 | \$280,908 | 2024-2025 |
| Year 4 | \$286,526 | 2025-2026 |
| Year 5 | \$292,257 | 2026-2027 |

The options exists to extend the maintenance term for an additional two (2) years.

| Financial Planning Section: Budget Impact - Capital (Note 1) | |
|--|--|
| Account Number(s) | C24012521 |
| Account Description Project Total Budget | Human Resources Information System (HRIS) \$3,340,017 |
| Contract Budget | \$ 1,448,000 |
| Actual (Net of HST Rebate) | \$ 1,399,800 |
| Variance (Note 2) | \$ 48,200 (F) |
| Funding Source | Project Variance Account |
| Financial Planning Section: Budget Impact – Operating (Maintenance) | |
| Account Number(s) | 2216-3445 |
| Account Description Project Total Budget | Information Technology – Software-Annual Maintenance N/A |
| Contract Budget | N/A |
| Actual (Net of HST Rebate) | \$ 1,429,821 (total 5-year maintenance fee) |
| Funding Source (Note 3) | Operating Budget (2022-2027) |

Note 1: Financial impact includes any non-refundable portion of HST

Note 2: Staff is requesting the favourable variance remain in the project in order to address additional work and other costs during system implementation. Additional funds will be required throughout the project for external consulting services and/or integration with existing enterprise systems.

Note 3: The annual ongoing maintenance cost begins at \$270,000 (exclusive of HST rebate) and grows to \$292,257 in year 5. These amounts will be included in the operating budget each year from 2022 onward.

**COUNCIL AUTHORITY FOR CONTRACT AWARDS
SINGLE SOURCE AWARD**

| | |
|-------------------------------|--|
| Project Award | Single Source award to Musco Sports Lighting for the pre-ordering of the LED fixture and software upgrades for the existing Sports Cluster System. |
| Recommendation | <p>Staff are recommending the single source award to Musco Sports Lighting for LED lighting hardware and software upgrades at the Mattamy National Cycling Centre in the total amount of \$717,000 (exclusive of HST).</p> <p>Staff are also recommending, delegated authority to award the installation bid, due to timing of this project.</p> |
| Purpose of Report | As per Section 10.1 of Purchasing By-law No. 061-2018, Council approval is required. |
| Background information | <p>The Velodrome original HID lights are reaching end of life and will be replaced with LED for energy savings and reduced maintenance. The existing sports lighting system is by Musco Sports Lighting and parts of the system can be reused if the same system is maintained. Staff is recommending to purchase the new LED lighting materials from Musco to take advantage of the compatibility with the existing system. Staff are recommending to purchase materials ahead of time to be able to perform the installation during the Tokyo Olympics.</p> <p>Staff will be bidding the installation portion of this project, to approved Musco installers. As part of that bid, the successful bidder will assume the purchase order for the hardware. The Town is preordering these products due the tight timelines.</p> |

Financial Planning Section: Budget Impact (Note 1)

| | |
|-----------------------------|--|
| Account Number(s) | C58216021-A1634-7555 |
| Account Description | Mattamy National Cycling Centre Improvements |
| Project Total Budget | \$ 1,394,794 |
| Contract Budget | \$ 1,027,780 |
| Actual | \$ 717,000 |
| Variance (Note 2) | \$ 310,780 (F) |
| Funding Source | Project Variance Account |

Note 1: This project is eligible for input tax credits, therefore costs do not include HST.

Note 2: Staff is requesting the favourable variance remain in the project in order to address the installation portion of this project which will be bid separately.