



**To:** General Purposes Committee  
**From:** Grant Fengstad  
Director, Information Technology

**Date:** August 12, 2016  
**File:** 04-1300-01/2016-Vol 01

**Re: Request for Approval PeopleSoft HCM 9.2 Upgrade Consulting Services**

**Staff Recommendation**

1. That the PeopleSoft HCM 9.2 Upgrade consulting services contract, as detailed in the staff report titled "Request for Approval PeopleSoft HCM 9.2 Upgrade Consulting Services" from the Director of Information Technology dated August 12, 2016, be awarded to Blackstone Consulting Group Inc; and
2. That the Chief Administrative Officer and the General Manager, Finance and Corporate Services be authorized to negotiate and execute the consulting services contract with Blackstone Consulting Group Inc.

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

REPORT CONCURRENCE		
<b>ROUTED TO:</b>	<b>CONCURRENCE</b>	<b>CONCURRENCE OF GENERAL MANAGER</b>
Finance Department Human Resources	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	
<b>REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE</b>	<b>INITIALS:</b> 	<b>APPROVED BY CAO (Acting)</b> 

## Staff Report

### Origin

The City entered into a Software End User License and Services Agreement with PeopleSoft Canada on May 29, 1998 to purchase a Human Resources Management system. This agreement encompasses the PeopleSoft Human Capital Management (HCM) system which includes modules such as Human Resources Management, Payroll, Base Benefits, Time & Labour and Enterprise Learning. The PeopleSoft HCM system is a critical system, and is used daily by City staff.

In December 2004, Oracle Canada announced that it had acquired PeopleSoft Canada. The agreement was updated to transfer the Software Update License & Support services from PeopleSoft Canada to Oracle Canada.

The last PeopleSoft HCM upgrade was completed in 2011 from version 8.9 to 9.1. The total cost for the upgrade was \$560,429.

In 2015 Oracle's Software Technical Support Polices identified that the City's current version of PeopleSoft HCM system version 9.1 will no longer be supported after January 2018. The software upgrade from PeopleSoft HCM system version 9.1 to 9.2 was approved by Council in the 2016 Capital Budget.

The following are the primary functionalities and statistics with the current PeopleSoft HCM system:

- produces biweekly payroll – approximately \$4.5 million;
- processes biweekly time sheets – 21,000 time entries, approximately 126,000 hours;
- manages and administer 2,077 employees;
- manages and administer 21 benefit plans;
- administers the organization's salary plans including 188 salary grades and 472 salary plans
- manages and administer 4 collective agreements and 2 management pay groups;

This report supports Council's 2014-2018 Term Goal #7 Strong Financial Stewardship:

*Maintain the City's strong financial position through effective budget processes, the efficient and effective use of financial resources, and the prudent leveraging of economic and financial opportunities to increase current and long-term financial sustainability.*

*7.1. Relevant and effective budget processes and policies.*

*7.2. Well-informed and sustainable financial decision making.*

*7.4. Strategic financial opportunities are optimized.*

## **Analysis**

The purpose of this report is to request approval authority for the City to enter into a consulting services contract with Blackstone Consulting Group Inc. for the upgrade of the PeopleSoft Human Capital Management System from version 9.1 to 9.2. The proposed agreement will include project management, functional and technical consultant services to assist in the design, configuration and/or construction activities, testing and implementation of the application and infrastructure components of the upgrade from PeopleSoft HCM 9.1 to 9.2.

### Scope of the Work

The Blackstone Consulting Group will aid the City in the full PeopleSoft Upgrade project lifecycle, from requirements analysis to go live and post implementation support. The PeopleSoft consultants will provide expertise, guidance, recommendations and estimates, as well as confirming impacts, identifying risks and mitigations.

The Blackstone Consulting Group will lead the design, configure and/or construction activities, test, integrate and implement the application and the infrastructure components as required. The Blackstone Consulting Group will also conduct knowledge transition to City staff such that they are equipped to support the post-implementation solution.

The City is also planning to leverage the upgrade process to enhance and improve the existing Human Resources and payroll business processes and to take advantage of new system functionalities. Some of the primary enhancements include:

- Implementation of an employee self-service web portal that will provide all employees with secure access over the internet to view pay advice, manage and view T4/T4A and self-update employee information from any location. This will result in the reduction and or elimination of printed pay advices and T4 slips.
- Implementation of a manager self-service web portal/dashboard to view job information, employee leave balances and training summaries. This will be a single view of staff information in an easy to view and user friendly format.
- Automation of online workflow functionalities such as employee licenses and certifications resulting in less paper flow and increased flexibility for the routing process.
- Review and streamline existing processes for benefits enrollment, license and certifications, designation and memberships tracking.

Public Bidding

A Request for Expression of Interest RFEOI 5687 was issued on March 21, 2016. The following responses were received on April 5, 2016:

<b>Company</b>	<b>Total Amount</b>
Propel Solutions Ltd. <i>*only responded to project management, not the entire RFP</i>	\$89,440
Blackstone Consulting Group Inc.	\$616,800
EAInfoBiz Inc.	\$633,482
Graviton Consulting Services	\$673,384
Spyre Solutions Inc.	\$1,127,828
Annex Consulting Group	Only provided hourly rate

An evaluation committee consisting of representatives from Payroll, Human Resources, Purchasing and Information Technology evaluated the responses based on predetermined criteria including, but not limited to, value for money, proponent qualifications, proposal quality, project methodology and references. Each section was scored independently using the City's standard evaluation matrix. The consolidated score determined that Blackstone Consulting Group Inc. was the highest and was deemed to be the lead respondent.

As determined by the evaluation, Blackstone Consulting Group Inc. provided the response that met the City's requirements and provides the best value. Blackstone Consulting Group Inc. submitted a solid project methodology and implementation plan, and reference checks were conducted to confirm their ability to meet the proposed scope of the project.

**Financial Impact**

The budget for PeopleSoft HR and Payroll System Upgrade and Workforce Management was approved by Council in the 2016 Capital Budget. The budget for the system upgrade portion of the project is \$951,000. Funding is available to award this contract to Blackstone Consulting Group Inc. for \$616,800, exclusive of taxes.

**Conclusion**

This request is in compliance with the City's Procurement Policy and Officer and General Manager Bylaw. The PeopleSoft Human Capital Management system is a critical system, used daily by City staff and the City has no plans to change the Human Resources and Payroll systems. In March 2016, the City signed a five year agreement with Oracle to continue using the PeopleSoft Financial and Human Capital Management systems, with the added benefit of no inflationary adjustment rate increase for the term of the agreement.

It is therefore recommended that 5687 RFEOI for PeopleSoft HCM 9.2 Upgrade Consulting Services be awarded to the bidder Blackstone Consulting Group Inc., who proposed best value to the City in the amount of \$616,800, exclusive of taxes.



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