

CITY OF HAMILTON

**CITY MANAGER'S OFFICE
All Departments**

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| TO: Mayor and Members General Issues Committee | WARD(S) AFFECTED: CITY WIDE |
| COMMITTEE DATE: March 27, 2012 | |
| SUBJECT/REPORT NO: Workforce Management Technology Project – KRONOS (CM12002) - (City Wide) | |
| SUBMITTED BY: Chris Murray, City Manager | PREPARED BY: Roberto Rossini, ext 6150 Helen Hale Tomasik, ext 4155 Gerry Davis, ext 2313 Joe-Anne Priel, ext 4839 |
| SIGNATURE: | |

RECOMMENDATION(S)

- (a) That Project 3501257203, KRONOS Workforce Management Solution software be lifted from the 2012 Capital parked projects list and that Phase 1 of the KRONOS solution implementation in the amount of \$1.1 million be approved and funded from the unallocated Capital Reserve 108020 as follows:
 - (i) \$565,000 for the purchase of KRONOS software, licenses, support services and hardware
 - (ii) \$250,000 for customized professional services necessary to assist City of Hamilton staff with the implementation and knowledge transfer of KRONOS over a 10 month period
 - (iii) \$285,000 for staff replacement costs for the 10 month implementation period

- (b) That the General Manager of Finance and Corporate Services be authorized and directed to negotiate and execute on behalf of the City of Hamilton, in a form satisfactory to the City Solicitor, the following agreements with KRONOS Global Workforce Management Solutions:
 - (i) Software License Agreement for KRONOS and future upgrades
 - (ii) Annual Maintenance Agreement for KRONOS software support services

- (c) That the General Manager of Finance and Corporate Services be authorized and directed to single source Katalogic Systems Outsourcing and Consulting Specialists for the customized professional services necessary to implement and complete the knowledge transfer for KRONOS, at a cost not to exceed \$250,000 over a 10 month period, as noted in recommendation (a) above.

- (d) That the City Manager report back on the cost savings and efficiencies that are achieved within a time frame of 12-15 months post the KRONOS implementation (June 2014) within the Lodges, Water and Wastewater Operations (WWW), Emergency Medical Services (EMS), Police Services, Recreation Division, Information Services and Human Resources to determine the cost/benefit analysis for future phases of KRONOS implementation.
- (e) That Council approve, starting in 2013, the annual operational sustainability costs post KRONOS implementation for Phase 1 which are estimated at \$ 260,000:
- \$100,000 for 1 FTE in Information Services (salary, benefits and other costs)
 - \$160,000 for yearly service and maintenance agreement with KRONOS, with an approximate 2% incremental inflation adjustment each year thereafter and that these costs be offset from savings realized through implementation.

EXECUTIVE SUMMARY

The Senior Management Team (SMT) is committed to working on a long term workforce technology strategy to provide the tools to support effective management of the City's workforce. The City has a human capital investment of over \$675 million (employee related costs) for the delivery of municipal services to the citizens of Hamilton, and uses a variety of manual and fragmented electronic solutions in an effort to manage these resources. SMT is recommending a workforce technology solution to assist with the management of the City's largest asset.

The City, Hamilton Police Services, Hamilton Entertainment and Convention Facilities Incorporated (HECFI) and the Hamilton Public Library currently manage most workforce administrative processes through paper. By automating workflows related to scheduling, time and attendance, and payroll functions, the City will be able to: focus more on value-add work, improve oversight and accountability for labour costs, improve productivity, and realize efficiencies across the organization. The key benefits from implementing a Time, Attendance and Scheduling technology solution are:

- Reduced payroll errors - reduces the number of overpayments (which have to be recouped) due to systemic errors in data re-entry, pay rule applications, and clerical mistakes that occur in a manual payroll system. These payroll errors increase the work process to correct them and in the unionized environment attract grievances that increase indirect costs and strain employee relations. In 2011 there were a total of 1500 errors: Examples include:
 - Untimely paperwork from departments for termination or hires which result in manual cheques or overpayments to recover
 - Untimely absence reports which causes under or overpayments

- Untimely submission of hours for wage pay which result in manual cheques (the KRONOS workflow/mandatory time sign off would solve this)
- Paying the wrong employee – Departments scribe hours onto a paper timesheet and then these are manually entered into the system. This means a recovery from the employee who was paid in error and a manual cheque for the employee who should have been paid (time entry swipes would solve this)
- Paying an employee using the wrong earnings type would result in overpayments, i.e. keying regular hours instead of shift hours (establishing pay rules in KRONOS would solve this)
- Paying employees premiums they are not entitled to, i.e. 2 x Over Time instead of 1.5 OT (establishing pay rules in KRONOS would solve this).

Staff are able to ultimately recover the overpayments; however these require time and resources. KRONOS would reduce this effort.

- Reduce payroll processing time – reduces the time and cost of cutting manual cheques, data entry by payroll or administrative employees, time spent by employees filling out time sheets and managers' review and approval of time sheets.
- Reduce unauthorized leave time – reduces the likelihood that employees take more leave time than permitted, such as vacation time, sick days or personal days.
- Improved labour reporting and compliance – ensure compliance and consistent application of collective agreements related to scheduling, overtime and shift premiums and other pay rules.
- Reduce payroll inflation – reduces unnecessary payroll costs driven by non-productive time - i.e. employees coming to work late or leaving early and being paid for this time. This is difficult to manage, quantify and measure when the City uses manual systems.
- Automated scheduling for services that have staff who work shifts (Lodges, EMS) and part-time staff who work in multiple locations (Recreation) results in more efficient and effective deployment of staff resources and ensures scheduling of staff according to the seniority provisions of collective agreements.
- Deployment of staff in a large scale unforeseen challenge (e.g. flood) - having an immediate and accurate record of who is at work in the event of an urgent situation is critical to effectively manage the incident, being able to muster all available resources to assign to critical tasks, and to documenting that activity
- Documentation of legislative compliance - Providing electronic records that would stand the test of an audit that requires documentation of hours of work or hours of mandatory training necessary for compliance with various acts, e.g. *Occupational Health & Safety Act, Highway Traffic Act, Safe Drinking Water Act*

- Providing real time attendance and sick absence data, along with attendance reports – enables management to have better administrative oversight

A Time, Attendance, Absence Tracking and Scheduling Software solution (KRONOS) is currently being used by Macassa and Wentworth Lodges in Community Services and in the Water and Waste Water (WWW) Operations within Public Works. There is a desire to leverage this automation across the corporation to realize the benefits of: administrative efficiencies, risk management (including legislative regulation, collective agreement and payroll compliance, compliance with internal audit recommendations, absence management, manager satisfaction due to improved productivity, and employee satisfaction due to accurate and consistent application of pay rules.

Senior Management Team (SMT) is committed to enterprise workforce management technology solutions that increase productivity, realize administrative efficiencies, and eliminate many adhoc department-based time entry and attendance systems. As the City undergoes service delivery reviews and reorganizes to become a more streamlined service organization through the attrition associated with retirements, it is critical that the remaining workforce is supported with technology to provide service more efficiently. On the basis of a 2010 corporate-wide needs assessment (that included Police, HECFI and the Library), it was determined that the workforce technology (KRONOS) provides the following:

- Improved standards, controls and tools to support tracking, payroll calculations, and monitoring employee time and attendance which would ensure better compliance with collective agreements, *Employment Standards Act* (e.g. hours of work), and other legislative requirements; Internal audit if one was done.
- Reduction of time and effort spent on administrative tasks and processes relating to scheduling and timekeeping across the City;
- Improved ability to create accurate, consistent and comprehensive reports on employee scheduling and time, attendance and absenteeism data.
- Improved reporting and analysis on time and attendance in “real time”, rather than the current delays which occur with the manual system, which enables better absence management;
- Ability to decommission disparate subsystems, spreadsheets, vacation request forms, vacation trackers and other various tracking mechanisms as KRONOS is established as the corporate database/system for employee scheduling and time and attendance across the City and advances the City towards automating our manual and paper processes.

Staff will be adjusting the overall KRONOS capital project during the 2013 capital budget process to recommend that KRONOS be implemented in multiple phases over a number of years. Phase 1 implementation, at an estimated cost of \$1.1 Million will include the following Departments/Divisions:

1. Macassa and Wentworth Lodges - continuation of previous work by implementing and completing the staff scheduling automation portion of KRONOS;
2. Plant Operations, WWW, Public Works - to realize the same benefits that the Water Distribution and Water Collection section has realized with respect to improved accuracy and efficiency with employee time entry, improved reporting to supervisors, improved management accountability for overtime and automated payroll calculations;
3. Recreation to reduce the amount of manual time and effort spent on administrative tasks and processes related to scheduling and timekeeping across this division;
4. EMS – to enable use of previously purchased licenses for KRONOS, as current scheduling system is an antiquated legacy system. EMS has been waiting for the corporate wide implementation;
5. Hamilton Police Services - to realize the benefits of reduced payroll errors that come with automation, more efficient payroll administration, automating current manual tracking of court time, accrued time and overtime, automating analysis of payroll costs associated with grievances, reduction of grievances related to scheduling, overtime and premiums, etc.;
6. Information Services and Human Resources - to enable staff to monitor and measure potential efficiencies for administrative and support services who work regular schedules, and to acquire the knowledge and skills necessary to sustain the technology once the professional services contract is completed.

The estimated capital investment for Phase 1 KRONOS implementation would be \$1.1 million. Staff estimate to implement KRONOS city wide would cost approximately \$4.5 million. However, prior to proceeding with a request for Council to approve any additional funding to implement KRONOS in the remaining departments/divisions, staff will establish key performance measurements and report back to Council post phase 1 implementation to outline the efficiencies realized. The outcome of Phase I implementation in departments that have expressed the greatest need for this technology solution will determine the request for any additional capital investment.

SMT is committed to investing in technology that will create efficiencies and increase productivity. SMT will report back to Council on the efficiencies realized and the key performance measurements for the project. SMT will offset the annual operating impacts through the identification of efficiencies and savings associated with Phase 1.

KRONOS is currently used by the Region of Niagara, City of London, City of Greater Sudbury, Region of Waterloo, and the City of Guelph as the preferred technology solution for time, attendance, absence tracking and scheduling.

Alternatives for Consideration – see page 15

FINANCIAL / STAFFING / LEGAL IMPLICATIONS

Financial:

The estimated capital cost for Phase 1 implementation of KRONOS is a total of \$1.1 million as follows:

- (i) \$565,000 for the purchase of KRONOS software, licenses, support services and hardware
- (ii) \$250,000 for customized professional services necessary to assist City of Hamilton staff with the implementation and knowledge transfer of KRONOS over a 10 month period
- (iii) \$285,000 for staff replacement costs for the 10 month implementation period

The above costs are estimates only and are based on the current market prices. Should Council approve the recommendations for the KRONOS project, staff will negotiate with the identified vendors, which may result in improved pricing. Furthermore, once staff have an opportunity to demonstrate the efficiencies realized in Phase 1, the implementation of KRONOS corporate wide will result in economies of scale, in other words, as other departments/divisions are implemented in future phases the cost per employee will decrease.

The annual operational sustainability costs post KRONOS implementation for Phase 1 is estimated at \$260,000:

- \$100,000 for 1 FTE in Information Services (salary, benefits and other costs)
- \$160,000 yearly service and maintenance agreement with KRONOS, with an approximate 2% incremental inflation adjustment each year thereafter.

These costs would commence in 2013 and staff will find savings through the Kronos implementation to offset these costs.

Staff anticipates the additional FTE required for sustainability will be adequate for future phases of implementation. The cost of the FTE in Information Services will be offset by the discontinuation of the support services agreement that the Lodges and Water Distribution and Water Collection section currently have with Katalogic at \$80,000 per year. Additional funding will be required for the yearly service and maintenance agreement with KRONOS, should Council approve future phases for implementation. Should Council approve additional implementation phases, the estimated capital investment for Phase II in 2014 would be \$1.7 million for KRONOS licences, external assistance, and the back filling of internal employees dedicated to the implementation. The estimated capital investment for Phase III in 2015 would be \$1.7 million for KRONOS licences, external assistance and the back filling of internal employees dedicated to the implementation, but as noted above, this will be offset from identified savings.

The total capital cost of all three phases is projected to be \$4.5 million.

Staffing:

A Corporate Wide Steering Committee will be established for this project with a staff level Working Committee of key technical experts from Information Services, Human Resources and Financial Services (Payroll). The expected effort for the key technical experts is approximately 208 days (10 months) for Phase 1.

In addition, subject matter experts from each of the departments will be required during the course of the project. The expected effort for departmental experts will vary across the City; however, the average commitment for each City division would be initially 1 day per week for the configuration of KRONOS system for 1-2 months; 2-3 weeks full-time for testing the configuration of the system (collective agreement provisions, pay policies etc.); and 1 day per week for post implementation for a period of 3 months.

Legal:

Legal Services will review the software license agreements for KRONOS as well as the annual maintenance agreement for KRONOS software support services.

HISTORICAL BACKGROUND

In 2010/2011 KRONOS (a Time, Attendance, Absence Tracking and Scheduling Software Solution) was implemented in the Lodges within Community and the Water Distribution and Water Collection section within Public Works. Currently, both divisions are using an external provider for technical support. The support services agreement in place is for a two-year period at a cost of \$160,000 (\$80,000 per year). These costs will be absorbed into the overall sustainability costs. Emergency Medical Services purchased 310 KRONOS licenses in 2009 and are waiting for corporate assistance to implement this technology as their Time, Attendance, and Absence Tracking and Scheduling system is an antiquated legacy scheduling system.

The driver for implementing KRONOS in the Water Distribution and Wastewater Collection section was the need to achieve compliance with Ministry of Labour and *Highway Traffic Act* hours of work regulations. Since inception this section of Water and Wastewater Operations has experienced the following benefits:

- **Improved accuracy** – e.g. number of people entering same information into multiple systems leads to error (staff now have two less entry steps to get the timesheet data into Peoplesoft and are not having to enter the information in the Peoplesoft absence module)
- **Improved reporting and Information** - Supervisors now have access to daily “real-time” lieu and vacation balances. They are no longer reliant on other administrative staff for this information.

- **Improved accountability** - KRONOS has forced mandatory management to sign off on daily timesheets/Over Time approval. This used to be a bi-weekly sign off. WWW is required to prepare "Operator in Charge" reports for Ministry of Environment inspections. These reports used to take staff a day to prepare and now it takes about 3 minutes.
- **Minimal manual calculations** – e.g. pay entitlements that are calculated manually, related to overtime and shift premiums as well as pay adjustments due to absenteeism, are now automated with the implementation of KRONOS.

Going forward, the WWW Section plans to realize additional benefits:

- Further leverage the functionality in KRONOS through creating a modified call out list sub-program to eliminate the manual lists being created now by staff;
- Explore the opportunity to implement an auto dialer for call out – this may be a direction the WWW sections take to improve efficiency of dispatching over time work.

The driver for the Lodges was the complexity of their paper-based scheduling system to staff appropriately for resident care and to ensure accurate documentation of time worked. However, due to resources constraints the implementation of the KRONOS in the Lodges is not complete, the full automation of the scheduling component is outstanding. That said, the Lodges have experienced the benefits of improved accuracy similar to that observed in the Water Distribution and Water Collection section. Going forward the Lodges will be implementing the advanced scheduling portion of the KRONOS solution (e.g. generates a list of who to call in when someone is sick, has the ability to enter comments on when call is made to employee) which will result in the following:

- Consistent and fair call in
- Less errors in overtime paid out
- Reduced number of grievances related to errors being made
- Increased productivity for both schedulers and front-line staff who work evenings, nights and weekends, since they will spend less time determining who should be called in, in what order.

There is now a desire to leverage this technology solution across the corporation to realize the benefits of: administrative efficiencies, risk management (includes regulatory compliance, collective agreement and payroll compliance) manager satisfaction due to improved productivity and employee satisfaction due to accurate and consistent application of pay rules.

Police Services have identified the following benefits for their inclusion in Phase 1

- **Reduced payroll errors** - There has been a significant increase in errors in 2012, ever since a long term employee retired. Police payroll is different and complex and a system which allows for rules to be automated would prevent these errors

- **Payroll Administration** - There are many payroll changes that could be automated (such as annual increases, step increases, performance pay, service pay, etc.) Automating this would result in improved efficiencies for staff who currently calculate everything manually.
- **Reduced duplication of effort into stand-alone systems** - Police currently enter every application into a legacy HRIS because they have no way to track applicants in PeopleSoft. This could result in time savings and allow staff to focus on more value-added work.
Court time, accrued time and overtime are filled out on manual forms and sent to Finance for data entry. The time is also entered into an access data base by individual departments for tracking of individual member time banks. This could result in time savings to every department in the Police Service.
Police have a stand-alone system for paying and calculating Police special duty pay. Once this information is scheduled, tracked and recorded, the information is sent to Finance for calculation. This would result in time savings to Support Services.
- **Management Reporting** - Currently the data entered into the payroll system is insufficient to meet the management reporting requirements. It requires significant manual effort to get the information, if it is available at all.
- **Labour Relations** - Grievances require a cost impact analysis on the Service to be completed. Currently with the number of manual processes, it is impossible to get historical payroll information, especially for part time staff without going through archived payroll sheets and doing manual calculations.
As collective agreements are settled, the retro pay for each and every member of the service is calculated manually or through many Excel spreadsheets and uploaded into PeopleSoft. Finally, grievances related to scheduling, overtime and premiums which are not in accordance with the collective agreement would be reduced.
- **Special Event or Grant Recovery** - Police occasionally receive grant funding for special projects based on hours worked by individual officers assigned to a specific project. All this time has to be tracked manually and sent to Finance for manual calculation and recovery of funds, which can result in errors being made.
- **Health and Safety Issues** - Police rely on a manual scheduling system (duty rosters) to ensure that their members do not work too many hours. However, since regular time and overtime and special duties are all tracked in separate systems, there is no way of guaranteeing that a member does not have the minimum of 8 hours between shifts.

KRONOS is currently used by the Region of Niagara, City of London, City of Greater Sudbury, Region of Waterloo and the City of Guelph as the preferred technology solution for time, attendance, absence tracking and scheduling.

POLICY IMPLICATIONS

Katalogic Systems Outsourcing and Consulting Specialists have been used extensively by City divisions for the provision of professional services associated with assessment and implementation of KRONOS and the integration with PeopleSoft. Professional Services engagements varied in scope and include Lodges and Water Distribution and Wastewater Collection section within Public Works and Emergency Medical Services.

While KRONOS Global Workforce Management Solution offers a service to implement their solution, Katalogic is the vendor who implemented KRONOS and created the PeopleSoft interface configuration for WWW and the Lodges. Katalogic is currently providing on-going technical support to both WWW and the Lodges and is the vendor who conducted the corporate needs assessment. There would be significant inefficiency to engage another service provider to implement KRONOS, as Katalogic understands the complexities of the City's operations and various collective agreements. They are one of the only vendors who have expertise for both KRONOS and PeopleSoft, which is critical to successful implementation.

Based on the above, staff are recommending that Council consider and approve the City single sourcing Katalogic for the corporate-wide implementation and knowledge transfer of KRONOS.

RELEVANT CONSULTATION

Through the corporate-wide assessment, all City departments including Hamilton Police, Library and HECFI were consulted.

Information Systems Working Committee

Senior Management Team

ANALYSIS / RATIONALE FOR RECOMMENDATION

(include Performance Measurement/Benchmarking Data, if applicable)

Overview of Need for Corporate Workforce Technology Solution:

The City of Hamilton's current workforce, including Boards and Agencies (Hamilton Police Services, Library and HECFI) is comprised of 8,530 full-time and part-time employees (7,201.34 FTEs). The management of employee time worked, attendance, scheduling and absenteeism is achieved primarily through manual and paper-based processes, and as such, creates administrative inefficiencies and challenges. Staff retained the services of Katalogic Systems Outsourcing and Consulting Specialists to assist with the

assessment and documentation of the inefficiencies and process issues that are inherent in the current manual/paper-based system design. The ultimate goal was to identify a software solution that would provide business efficiency and consistent, accurate, high quality information that was accessible and timely.

Over the course of April-June 2011, Katalogic lead the City through a planning and assessment exercise. A total of 10 workshops were held with approximately 82 representatives from across various City divisions (including Police, HECFI and Library) to review their current time, attendance, absence tracking and scheduling processes, and to identify their future business requirements.

Issues and concerns identified by participating departments included the following:

- The collection and approval of employee time and attendance is manual (e.g. Excel and Word documents, approvals via e-mail, fax, telephone etc.)
- PeopleSoft system constraints lead to problems with balances and accruals of attendance information not being available when needed;
- Delays in entering attendance data results in information not being available when needed, which results in payroll errors.
- Employees lack access to their own information.
- There is too much complexity and variety in current input mechanisms for time and attendance information.
- System information that is available is insufficient for department / divisional needs.
- Time and Attendance information collection, processing and reporting tools are not easy to use.
- Auditing of information is difficult and time-consuming due to the number of inputs, interventions, and complexity of collective agreements and other legislative requirements;
- Paper timesheets required to be used by several staff are not efficient, take more time to process, and may be lost or translated incorrectly.
- Payroll entitlements are calculated manually and interpreted by supervisors and managers;
- Supervisors/administrative assistants are required to run custom reports outside of PeopleSoft with either Excel or external systems.

In summary, a manual paper-based system has inherent inefficiencies and process issues which utilize significant staff resources that could be reinvested in value added services.

At the end of the planning and needs assessment the stakeholders identified five top priorities for the technology solution as well as business and system principles which follow.

Top 5 Priorities for Performance Measures of Workforce Technology Solution:

- **minimize manual calculations** – e.g. pay entitlements that are calculated manually, related to overtime and shift premiums as well as pay adjustments due to absenteeism
- **decrease administration** – e.g. number of people handling a piece of paper

- **improve accuracy** – e.g. number of people entering same information into multiple systems leads to error; the City experiences lost productivity due to manual processes that need to be corrected, for example 1500 pay corrections/year
- **improve accountability** – e.g. compliance with collective agreements to ensure scheduling according to seniority; the City had 196 grievances in 2010 related to scheduling, overtime and shift premiums
- **improve accessibility** to consistent data from one corporate system instead of multiple department-based systems

Attendance, Absence Management & Time Entry

Currently one of the key focus areas for Council and SMT is attendance and absence management. The following data provides some insight to the volume and work effort that is associated with manual processes for attendance, time entry and absences:

- Manual time & attendance entries **per year are 1.2 million**
- Staff process approximately **10,000** sick absence forms twice per year
- Staff processes on average **60,000 other types of absences per year** (e.g. Maternity leave, Leave of Absences etc.)
- In 2011, **218 out of 605** total union grievances were filed due to scheduling, overtime and shift premiums
- **1500** manual pay adjustments/corrections are performed on a yearly basis.

The implementation of KRONOS will provide a centralized and standard technology solution that will provide the City's management with detailed reports on:

- Attendance Analysis - This type of report displays a summary of the various attendance events (sick, leave of absences, etc.) that have occurred for a selected group of employees in a specified period of time, including number of occurrences, total hours, and wage liability.
- Attendance Calendar - This type of report displays information about each employee's attendance events, attendance, patterns, and attendance actions in a calendar format for the specified time period.
- Leave Trends - This report displays a summary of leave cases and hours by month with seasonal trending information. In addition, this report also highlights leave reasons with paid leave liability. Real-time access to workforce information helps control overtime, labour costs, scheduling requirements and to ensure collective agreement and other legislative compliance.
- Pay Code Daily – early out and missed punches, absences unexcused, unscheduled shifts, sick unpaid and paid, vacation unpaid and paid, holiday paid, float bank day, float bank hours, late, union business paid and unpaid, jury duty, bereavement, WSIB paid and unpaid, overtime paid 1.5x and 2x, unapproved overtime for each employee.
- Leave Hours Detail - This type of report displays leave hours detail by employee (i.e. vacation entitlements and balances, maternity leaves, other types)

Business Principles for Workforce Technology Solution:

- New processes must be intuitive and easy to use.
- All processes and system changes must adhere to the provisions of the applicable collective agreements.
- Supervisors must be involved in the approval of attendance information collection and processing.
- Management must be provided with a timely means to access critical time and attendance and scheduling information, key to service delivery.
- The City requires a reliable system that will reduce the City's exposure to non-compliance and payroll overpayments, and at the same time, improve audits, controls and management reporting.

System Principles for Workforce Technology Solution:

- The system must be an integrated, central system with sufficient capability to meet the City's diverse workforce needs.
- The number of separate systems must be reduced to decrease the support burden.
- The system must ensure a strong error checking ability.
- The technology must deliver consistent application of time and attendance practices for all employees.
- The system must provide a high level of accurate and real time information availability, with appropriate security.
- The system must provide a reliable, stable, and more efficient system for employee scheduling and time and attendance record-keeping that reduces administrative tasks and manual work across the City.

KRONOS (Workforce Management Solutions) is recommended as the corporate solution for the City with a phased in implementation; Phase 1 being implemented over a 10 month timeframe. The rationale for KRONOS is based on the following:

- The Lodges and the Water Distribution and Water Collection section recently upgraded to and implemented KRONOS 6.1.
- KRONOS Workforce Scheduler product provides robust employee scheduling functionality that is not currently available in PeopleSoft Time and Labour (and for a large part was the reason the departments have licensed/selected KRONOS).
- A scalable integration strategy (between KRONOS and PeopleSoft) has been implemented with the recent upgrade and implementation project with the Lodges. This integration can be leveraged for further deployments of KRONOS.
- Emergency Medical Services purchased KRONOS licenses in 2009 in anticipation of KRONOS being a corporately supported solution for the City. When KRONOS was approved as the Time, Attendance and Scheduling Software solution for the Lodges, the Department had to demonstrate that KRONOS could be scaled up to be a corporate-wide technology solution.

- KRONOS has a high degree of fit with the City's requirements in terms of Time and Attendance and Accruals management, and can meet the diverse requirements of the different operational departments and the services they provide.
- The complexity of the City's multi-union environment requires multiple business models (e.g. Clocks, swipe cards, self-serve, etc.) and a high volume of custom rules that KRONOS is able to support.
- KRONOS can calculate and apply pay rules for an employee group or bargaining unit resulting in fast, easy, and accurate payroll results. Errors and overpayments will be reduced or eliminated.
- Standardizing on one solution (KRONOS) will result in minimizing implementation costs and operating overhead.
- KRONOS is used for the automation and enforcement of complex work and pay rules to avoid costs associated with errors.
- KRONOS allows for real-time insight into critical labour information such as overtime, thereby reducing budget overruns and overspending.
- KRONOS eliminates time consuming and error-prone duplication of information entry and processing.
- KRONOS enables modern communication techniques for information dissemination to individual employees and supervisors about attendance and overtime balance.
- KRONOS provides centralized and integrated employee time, schedule and accrual details, backed up with a complete audit trail.
- KRONOS provides on-demand reports of employee time and attendance details, email alerts and on-line approvals for managers.
- KRONOS provides improved reporting on time and attendance in "real time", rather than the current delays which occur with the manual system, which enables better absence management.

In summary, there is a 90% degree of fit between KRONOS and the business requirements defined by all operating departments. Two departments are already using KRONOS to meet some critical legislative or regulatory compliance needs in the way of employee scheduling. Integration of KRONOS with Peoplesoft is fully built to meet the needs of these departments and a scalable design is in place to support additional departments. Although PeopleSoft has a robust Time and Labour module, PeopleSoft does not have a robust scheduling system. It is recommended to standardize on one platform for all time and attendance needs across the organization to minimize on-going costs associated with support and maintenance of multiple systems.

Productivity/ Administrative Efficiency

To meet legislative or regulatory compliance, administrators and managers are involved with generating various reports. Furthermore, there are administrative manual processes which can be streamlined. The process examples below are based on estimates:

| Administrative Task | Old Manual System | KRONOS System | Savings | Metric/ Frequency | Savings |
|---|---|---|------------------------|---|---|
| Water Waste Water report to Ministry | 7 hours to generate a report | 3 minutes per report | 6 hours & 57 minutes | Bi –Monthly (6 per yr) | 5.9 days to reallocated to value add work |
| Vacation Request Process Steps | <ol style="list-style-type: none"> 1. Employee submits paper form to Manager. 2. Manager signs form and forwards to Admin Assistant. 3. Admin Assistant updates... 4. Admin Assistant notifies employee.... 5. Admin Assistant updates vacation schedule... 6. Admin Assistant files form... 7. Admin Assistant generates report | <ol style="list-style-type: none"> 1. Employee submits online leave request. 2. Manager approves online. 3. KRONOS automatically updates and generates report. | 10 minutes per request | # FT employees = 6280 (includes police, HECFI and library) # vacation requests per year/employee is 5 | 748 days worth of effort to be reallocated to value add work. (# FT EE x 5 requests x 10 min/request total minutes converted into hours & then days) |
| Employees processing of payroll – reduce duplicate data entry | 10 hours per week on average | 6 hours per week | 4 hours saved per week | # 110 EE across City that process payroll X 52 weeks | 3,269 days of effort to be reallocated to value add work |

ALTERNATIVES FOR CONSIDERATION:

(include Financial, Staffing, Legal and Policy Implications and pros and cons for each alternative)

Alternative 1

Council could choose the status quo and direct staff to continue managing the workforce through its manual and paper based systems. Some of the associated risks include:

- Continued risk of non-compliance;
- Potential for fines, grievances and staff conflict;
- Missed opportunity to realize payroll savings;
- Inability to access real-time data to manage employee absenteeism
- Continued administrative burden, due to duplicate data entry, errors, paper-based processing;
- Continued cost and investment to maintain current legacy system (and disparate systems);
- Inadequate technology to manage workforce;
- Currently the City is supporting two separate processes – 1. Kronos for the Lodges and WWW and; 2. A combination of PeopleSoft and manual tracking for everyone else.
- Unable to meet growing management needs and expectations;
- Some departments and agencies will move ahead on their own leading to:
 - increased “individual” system implementation and support costs
 - multiple system installations and infrastructure costs
 - missed opportunity to align budget, resources, and overall strategy to deliver on a more effective and efficient corporate solution.

Compliance, Contingency Risk and Reporting

Various systems are in use across the City today that represent a high degree of risk to operational departments due to:

- Lack of redundancy or system back-up/contingency plan;
- Lack of availability or accessibility to information in disaster situations;
- Lack of audit and/or compliance and reporting capabilities.
- Complexities of administering multiple collective agreements to ensure compliance through the automation of pay rules and CA provisions.

This option is not recommended.

CORPORATE STRATEGIC PLAN

Focus Areas: 1. Skilled, Innovative and Respectful Organization, 2. Financial Sustainability, 3. Intergovernmental Relationships, 4. Growing Our Economy, 5. Social Development, 6. Environmental Stewardship, 7. Healthy Community

Skilled, Innovative & Respectful Organization

The use and implementation of KRONOS allows staff to develop skill and have the necessary technology management tool and information to effectively and efficiently manage the City's workforce.

Financial Sustainability

The ability to produce real-time and detailed reports in a timely way will assist in decision making and manage the workforce in a fiscally responsible manner

APPENDICES / SCHEDULES

N/A