

Request to Amend Purchase Order Number 6041647 with Kronos Canadian Systems Inc. for Upgrades to the Time Attendance and Scheduling System

Date: June 22, 2020

To: General Government and Licensing Committee

From: Chief Technology Officer and Chief Purchasing Officer

Wards: All

SUMMARY

The purpose of this report is to seek authority to amend and increase Purchase Order No. 6041647 with Kronos Canadian Systems Inc. to upgrade the Time Attendance and Scheduling System by the amount of \$407,040 net of HST recoveries, increasing the total contract amount from \$4,255,954 to \$4,662,994 net of HST recoveries.

The Time Attendance and Scheduling System is an off-the-shelf software from Kronos Canadian Systems Inc. ("Kronos"). Kronos technology facilitates the time entry and scheduling of staff. The city has an existing contract with Kronos to acquire software licenses for Parks, Forestry & Recreation and Toronto Paramedic Services. The contract includes associated maintenance and support changes. It also enables the City to obtain software updates but excludes professional services to perform the upgrade in the City's environment.

The Kronos system utilizes the Adobe Flash plugin. The Adobe Flash is a cross-platform plugin designed to allow the viewing of graphics, video and text over a web browser. Recently, Kronos released a version upgrade to eliminate the use of Adobe Flash in order to mitigate enterprise risk. It has been publicized and well documented that Adobe Flash contains some vulnerabilities. As of December 2020, all major web browser platforms, such as Google Chrome and Microsoft Edge, have stated that they will not support Adobe Flash and will prevent any technology from using it on their platforms. Since City of Toronto users access Kronos via a web browser, the upgrade would also mitigate a technology compatibility issue. Therefore, it is critical that the City of Toronto applies the version upgrade by year end 2020.

As part of City operational best practices, City staff manage and maintain technology upgrades, but due to the complexity of the change, the City requires, expertise of Kronos professional services to upgrade and thereby mitigate technology risk based on their detailed knowledge of the software.

RECOMMENDATIONS

The Chief Technology Officer and Chief Purchasing Officer recommend that:

1. General Government and Licensing Committee, in accordance with Section 71-11.1C of the City of Toronto Municipal Code Chapter 71 (Financial Control By-law) grant authority to amend Purchase Order No. 6041647 with Kronos Canadian Systems Inc. to provide professional services to implement the upgrade of the Time Attendance and Scheduling System in the amount not to exceed \$400,000 net of all of all taxes (\$407,040 net of HST recoveries) revising the total contract amount from \$4,182,345 net of all taxes (\$4,255,954 net of HST recoveries) to \$4,582,345 net of all taxes (\$4,662,994 net of HST recoveries).

FINANCIAL IMPACT

The total contract expenditure increase is \$400,000 net of all taxes (\$407,040 net of HST recoveries). Funding is available in the Technology Services Division's 2020 Council Approved Capital Budget to support this increase in contract value as noted in the following table:

Year	WBS Element	Cost Element	Net of HST Recoveries
2020	CIT051-08-01	4038	\$407,040

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

A Contract Award was made by Bid Committee at its meeting of March 25, 2015, to Calian Ltd. and Kronos Canadian Systems Inc. ("Kronos") for the Time, Attendance and Scheduling System (TASS) and SAP HCM Modernization and Cross Application Timesheet System (CATS) Implementation Project for a combined total of \$13,949,696 net of all taxes (\$14,195,210 net of HST recoveries). Kronos was awarded for software licenses, support and maintenance for \$3,310,355 net of all taxes (\$3,368,617.24 net of HST recoveries).

Bid Committee Award document can be viewed at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.BD18.1>

Kronos and the City entered into an amending agreement for the provision of additional licenses, terminals and professional services for Toronto Paramedic Services. Purchase Order No. 6041647 was amended and processed on July 18, 2016 for a total increase

of \$499,949 net of all taxes (508,748 net of HST recoveries) to accommodate the procurement of 400 additional licenses, Workforce TeleStaff IVR Voxeo Licenses (10 Ports) and 80 In Touch terminals.

Authority to amend and increase Purchase Order No. 6041647, with Kronos was granted by Government Management Committee (GM22.15) at its meeting on September 25, 2017. The Purchase Order amendment and increase was for the amount of \$201,387 net of all taxes (\$204,931 net of HST recoveries), as it relates to the annualized increase in the five (5) year operational software license maintenance and support of the Kronos TASS implemented by the CATS and TASS project.

Government Management Committee decision document can be viewed at:
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.GM22.15>

Authority to amend and increase Purchase Order No. 6041647, with Kronos was granted by General Government and Licensing Committee (GL10.11) at its meeting on December 2, 2019. The Purchase Order amendment was for the amount of \$170,765 net of all taxes (\$173,771 net of HST recoveries), to account for expected staffing growth at Toronto Paramedic Services following City Council adoption of the Division's Multi-Year Staffing and Systems Plan on June 18, 2019, which would require an increase in operational licensing needs and clock terminals; bringing the total contract amount from \$4,011,580 net of all taxes (\$4,082,184 net of HST recoveries) to \$4,182,345 net of all taxes (\$4,255,954 net of HST recoveries).

General Government and Licensing Committee decision document can be viewed at:
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.GL10.11>

COMMENTS

The Time Attendance and Scheduling System is a commercial off-the-shelf software solution from Kronos. On November 9, 2016 Parks, Forestry and Recreation started using Kronos. Toronto Paramedic Services started using the system on February 15, 2017. The users access the system using an internet browser to login and update employee attendance and scheduling data. The system also uses Adobe Flash technology for user interaction through their browser.

In response to Adobe's announcement, for end of support for Flash in December 2020, the process began to remove Flash from Kronos. On February 28, 2020 Kronos released a new version which does not use Flash. Professional Services are needed to upgrade the City's Kronos system to the new version due to the complexity of the work. Kronos, as a vendor, is uniquely qualified to provide the technical expertise to complete the upgrade as they are the product owner. The current contract with Kronos enables the City to obtain software updates but excludes professional services to perform the upgrade in the City's environment. The City will not be able to perform a peak period analysis which is a comprehensive assessment during peak usage. The analysis provides recommendations to reduce risk and ensure the City is following best practices and recommendations. Kronos can provide support during and after the upgrade and ensure a risk mitigated transition for critical services at the City.

Web browsers periodically release timely updates for critical vulnerabilities. Historically, Flash has been exploited as the entry point of many technology breaches. Completion of the upgrade allows the City to continue using the latest version of web browsers without relying on Flash. This will reduce business and technology risk and improve the City's ability to protect itself.

This upgrade will benefit both Toronto Paramedic Services and Parks, Forestry and Recreation (PF&R) to ensure the system remains usable. Divisions will continue to use the system focusing on service delivery improvements. These improvements allow for efficient identification and resolution of scheduling requests. As scheduling requests are filled, the public will continue to receive uninterrupted service as a result of efficient scheduling. The City has negotiated the lowest price by transferring all testing responsibilities to the City.

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