

Non-Competitive Contract with Resolve Software Group Canada Inc. for the City's Labour Relations Information System

Date: November 16, 2021

To: General Government and Licensing Committee

From: Chief People Officer, People & Equity Division, Chief Technology Officer, Technology Services Division, Chief Procurement Officer, Purchasing and Materials Management Division

Wards: All

SUMMARY

The purpose of this report is to request City Council authority to enter into a non-competitive contract with Resolve Software Group to purchase a proprietary case management system of software licenses and professional services for the City's Labour Relations Information System. The contract will be for an initial period of three (3) years commencing from the date that the contract is issued to December 31, 2024, with two (2) additional separate one (1) year option renewals, in the total amount of \$909,843 net of Harmonized Sales Tax (\$925,857 net of Harmonized Sales Tax recoveries).

The Employee Relations (ER) section of the People & Equity (P&E) Division develops and maintains harmonious working relationships among managers, employees, unions and staff associations. Employee Relations administers the requirements of the collective agreements for various unions, manages the collective bargaining process, and provides expertise in resolving conflict and grievances.

ER utilizes a City developed software system, known as the Grievance Tracking System (GTS), for effectively tracking, managing and solving numerous enquiries, concerns and complaints/grievances. This system was introduced in 2004. The current version of GTS was never intended to be a long-term solution, rather it was an interim system until a modernized solution was procured. During the pandemic, the project to replace GTS with a modern system, was placed on hold due to various immediate priorities. Remote work has made it even more challenging to manage the day to day business demands of ER, using an outdated and manual system.

In 2013, the City's Internal Audit Division conducted a review of the Employee Relations grievance and arbitration processes and identified a number of areas of improvements with the City's developed GTS, including reporting inefficiencies and lack of cost

tracking. It was recommended for the GTS be updated to reflect the current information needs of ER and the Employee Labour Relations Committee.

In 2019, ER and Technology Services Division (TSD) conducted an in-depth analysis of the current and future state of the GTS. This included an analysis of GTS and a market assessment to find a solution that could satisfy the business requirements of ER and address the gaps. The existing GTS was reviewed as an option, however, it was built internally 17 years ago in the City with limited capabilities and functionalities. The City staff conducted a market assessment¹ comparing several vendor products of similar capabilities. The vendor products reviewed did not meet all the business capabilities and criteria for ER, whereas the Resolve Software Group (Resolve) case and complaints management solution met all the business requirements to replace GTS as the new Labour Relations Information System (LRIS).

In addition, within the City of Toronto, Resolve is used in the Accountability Offices, such as the Ombudsman Toronto and the Toronto Lobbyist Registrar. Resolve is also being implemented at the Human Rights Office within the P&E division of the City. Leveraging an existing solution already in use at the City, such as the case with Resolve, will help ensure P&E can effectively meet the mandate aligned to employee relations, while optimizing usage of common technology platforms across the City.

Resolve is also used in other Municipal governments who require case and complaint management solutions, including the following offices in British Columbia - Office of the Ombudsperson, Office of the Information and Privacy Commissioner, Office of the Merit Commissioner and Office of the Police Complaint Commissioner. A unique business requirement of these government partners is Resolve's ability to handle sensitive workplace matters and investigations where individual cases contain confidential, highly sensitive information and strict adherence to regulatory compliance, which apply to the day day-to-day functions and operations of ER.

In 2023, the collective bargaining process will commence for the Toronto Professional Fire Fighters Association, Local 3888 and in 2024, the collective bargaining process will commence for the Toronto Civic Employees Union (Local 416) and the Canadian Union of Public Employees (Local 79). The successful management of these collective bargaining processes is dependent on having a new Labour Relations Information System that will organize, track and document meeting minutes, strategies and planning and management of proposal exchanges between the City and the Union. The risks of not implementing the new system could expose the City to information breaches, financial impacts and increased reporting inaccuracies, as there is no cost tracking for settlements and arbitrations in the current GTS.

City Council approval is required in accordance with Municipal Code Chapter 195- Purchasing, where the current request exceeds the Chief Purchasing Officer's authority of the cumulative five-year commitment for each supplier, under Article 7, Section 195-7.3 (D) of the Purchasing By-Law or exceeds the threshold of \$500,000 net of HST

¹ The market assessment was completed using Gartner [Magic Quadrant](https://www.gartner.com/en/information-technology/glossary/magic-quadrant) research methodology. Gartner is a leading independent market research company:
<https://www.gartner.com/en/information-technology/glossary/magic-quadrant>

allowed under staff authority as per the Toronto Municipal Code, Chapter 71- Financial Control, Section 71-11A.

RECOMMENDATIONS

The Chief People Officer, Chief Technology Officer, and the Chief Procurement Officer, recommend that:

1. City Council authorize the Chief People Officer to negotiate and execute a non-competitive three (3) year agreement, commencing from the date that the contract is issued, with two (2) additional separate one (1) year option renewals with Resolve Software Group in the amount of \$909,843 net of Harmonized Sales Tax (\$925,857 net of Harmonized Sales Tax Recoveries), on terms and conditions satisfactory to the Chief People Officer and in a form satisfactory to the City Solicitor.

FINANCIAL IMPACT

The total potential value of the proposed contract including all years identified in this report is \$909,843 net of Harmonized Sales Tax (\$925,857 net of Harmonized Sales Tax Recoveries).

Funding in the amount of \$381,355 net of Harmonized Sales Tax Recoveries has been requested in the Technology Services Division 2022 Capital Budget submission. Funding in the amount of \$267,202 net of Harmonized Sales Tax Recoveries will be included in the 2023-2024 City Manager's Office Operating Budget submissions under cost centre CMO302 as required. Should the City choose to exercise the optional periods, then additional funding in the amount of \$277,300 net of Harmonized Sales Tax Recoveries will be requested in the City Manager's Office 2025-2026 Operating Budget Submissions.

The annual estimated expenditures for the 5-year term of this award is summarized as follows:

Cost Centre / WBS #	Jan - Dec 2022	Jan - Dec 2023	Jan- Dec 2024	Jan - Dec 2025 (Option Year One)	Jan - Dec 2026 (Option Year Two)	Total
CIT048-26-01	381,355	-	-	-	-	381,355
CMO302	-	133,601	133,601	138,650	138,650	544,502
Total	381,355	133,601	133,601	138,650	138,650	925,857

The Chief Financial Officer and Treasurer has been provided the financial impacts associated with these programs for review as part of the 2022 budget process.

DECISION HISTORY

This is the first report to General Government and Licensing Committee regarding the new Labour Relations Information System, so no decision history is available.

COMMENTS

In 2004, the City developed a Grievance Tracking System (GTS) for tracking and managing grievances and reporting. This system has many deficiencies, including reporting inefficiencies and lack of cost tracking. As per an Internal Audit review, conducted in 2013, it was recommended that the GTS be updated to reflect the current operating environment and the information needs of ER and the Employee Labour Relations Committee.

There are currently more than 2,000 open grievance files at the City, with close to 1,000 new grievances filed and processed each year, and only high-level transactional grievance information is currently captured in the GTS data fields. The primary method of information exchange is through manual processes such as email and hand delivered documents that risk records getting lost or delivered incorrectly.

In 2019, TSD and ER completed an in-depth analysis of the existing GTS and what the future could look like. The assessment compared several vendor products of similar capabilities. The vendor products reviewed did not meet all the business capabilities and criteria for ER, whereas the Resolve Software Group (Resolve) case and complaints management solution met all the business requirements to replace GTS as the new Labour Relations Information System (LRIS).

In addition, within the City of Toronto, Resolve is used in the Accountability Offices, such as the Ombudsman Toronto and the Toronto Lobbyist Registrar and is being implemented at the Human Rights Office within the P&E division of the City. Leveraging an existing solution already in use at the City, such as the case with Resolve, will help ensure P&E can effectively meet the mandate aligned to employee relations, while optimizing usage of common technology platforms across the City.

Government sectors in Australia, British Columbia and the City of Toronto have implemented Resolve Case Management solution. A key business imperative is the system's ability to handling sensitive workplace matters where individual cases contain confidential, highly sensitive information, which aligns with the day-to-day functions of ER.

Some of the key benefits of implementing the new Labour Relations Information System include:

- Move to a complete and centralized LRIS where all grievance related information and key labour relation data, such as arbitration awards, legal opinions, bargaining data are stored and accessed in one safe and secure system.
- Reduction in the time required to efficiently perform case management and investigations in grievance cases, minimizing manual processes to gather information, track incidents, workplace investigations and other type of grievances.
- Automated cost management and accurate reporting to calculate and store the cost per grievance case. This will enable a centralized financial management system for grievances.
- Modernization of the business and move to a paperless document management system where electronic documents and records can be attached to each grievance file. This automation will eliminate redundancies, such as the duplication of grievance files containing hundreds of pages of paper documents.
- Enhanced security and protection of confidential information to improve client confidence with protection of private personal information.
- Improved quality of information and analytics to benefit City divisions in making informed decisions as it relates to settlement, mediation and arbitration of grievance cases.

Staff is requesting authority to approve and enter into a non-competitive contract with Resolve Software Group to purchase software licenses and professional services for an initial period of three (3) years with the option to renew for additional two (2) separate one (1) year periods.

Conclusion:

Replacing the current GTS system with a modernized system will support the City's upcoming collective bargaining process which commences in 2023. The new LRIS (Resolve) will address the overriding gaps with GTS and meet the recommendations from the Internal Audit report. It will also improve the operational delivery of ER. LRIS will provide an improved client consultation experience due to the quality and efficiency of data and information gathered by ER in a centralized system and support with managing the collective bargaining process across the City.

The Fair Wage Office has reported that Revolve Software has indicated that it has reviewed and understands the Fair Wage Policy and Labour Trades requirements and has agreed to comply fully.

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