



REPORT FOR ACTION

Request to Amend Purchase Order No. 6041647 with Kronos Canadian Systems Inc. ("Kronos") for the procurement of Kronos software licenses

Date: November 18, 2019
To: General Government and Licensing Committee
From: Chief Technology Officer, Controller, and Chief Purchasing Officer
Wards: All

SUMMARY

In 2016, in order to meet both Toronto Paramedic Services (TPS)' staff growth and the need for employee remote system access 400 additional Time Keeping (Kronos) software licences were procured.

Commencing in 2017 and after a 2018 Go-live, Kronos loaned the City of Toronto an additional 220 software licenses to meet the growth of part-time staffing. The City also committed to formally acquiring these loaned licences by early Q1 2019.

On June 18, 2019, City Council approved TPS' Multi-Year Staffing and Systems Plan. This plan outlined the need for an additional 28 paramedic staff in 2019, as well as 346 additional frontline and support staff from 2020 to 2024.

The purpose of this report is to seek authority to amend and increase Purchase Order No. 6041647 with Kronos Canadian Systems Inc. ("Kronos"), by the amount of \$173,770.67 net of HST recoveries, increasing the total contract amount from \$4,082,183.79 to \$4,256,954.46 net of HST recoveries, as it relates to:

1. Toronto Paramedic Services (TPS) usage of 220 licenses since 2017, which were lent by the vendor. These licenses need to be purchased for a total cost of \$61,678.97 net of HST recoveries. Support and maintenance is included in the cost of these licenses.
2. TPS is planning to acquire an additional 300 licenses to account for current and future staffing growth which is required for 2019, 2020 and 2021. This is to provide the necessary scheduling tools to manage their increased resource capacity. The cost of these licenses is \$84,107.69 net of HST recoveries based on the negotiated cost as part of the original Request for Proposal (RFP) No. 3405-14-3057 for the Time, Attendance and Scheduling System and SAP HCM Modernization and Cross Application Timesheet (CATS) Implementation Project, which indicates that orders of more than 200 employees, will be licensed at the

price of \$275.51 (unit price net of all taxes) per employee.

3. TPS is expecting to acquire an additional 10 clock terminals which will be installed at different stations. The cost for each terminal is \$2,750.00 (unit price net of all taxes) for a total of \$27,984.00 net of HST recoveries.

RECOMMENDATIONS

The Chief Technology Officer, the Controller, and the Chief Purchasing Officer recommend that:

1. The General Government and Licensing Committee, in accordance with Section 71-11.1C of the City of Toronto Municipal Code Chapter 71 (Financial Control), grant authority to enter into an amending agreement and amend Purchasing Order No. 6041647 with Kronos Canadian Systems Inc. ("Kronos") to increase the contract amount by \$170,765.20 net of all taxes (\$173,770.67 net of HST recoveries), revising the total contract amount from \$4,011,579.98 net of all taxes (\$4,082,183.79 net of HST recoveries) to \$4,182,345.18 net of all taxes (\$4,255,954.46 net of HST recoveries).

FINANCIAL IMPACT

The total contract expenditure increase is \$173,770.67 net of HST recoveries. Funding is available in the Toronto Paramedic Services 2019 Approved Capital Budget to support the amendment of the existing contract with Kronos Canadian Systems Inc. as noted in the following table:

Account/ Cost Element	New Kronos Licenses 2019	New Kronos Licenses 2020	TOTAL Cost Net of HST recoveries
TPS CAM015- 10/3020	\$61,678.97		\$61,678.97
TPS - Growth CAM015- 10/3020	\$42,053.85	\$42,053.85	\$84,107.69
Total Cost	\$103,732.82	\$42,053.85	\$145,786.67
Account/ Cost Element	Clock Terminals 2019	Clock Terminals 2020	TOTAL Cost Net of HST recoveries
CAM015- 10/3020	\$13,992	\$13,992	\$27,984.00
GRAND TOTAL COST	\$117,724.82	\$56,045.85	\$173,770.67

The Controller 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. for the Time, Attendance and Scheduling System and SAP HCM Modernization and CATS Implementation Project in the total amount of \$14,195,210 net of HST recoveries.

Bid Committee Award document can be viewed at:

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

Authority to amend and increase Purchase Order No. 6041647, with Kronos Canadian Systems Inc. ("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 Time Attendance and Scheduling System (TASS) implemented by the Cross Application Timesheet System (CATS) and Time Attendance and Scheduling System (TASS) project; bringing the total contract amount from \$3,810,193 net of all taxes (3,877,252 net of HST recoveries) to \$4,011,579.98 net of all taxes (\$4,082,183.79 net of HST recoveries).

Government Management Committee decision document can be viewed at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.GM22.15>

COMMENTS

RFP No. 3405-14-3057 dated June 6, 2014, together with Addendum no. 1 to Addendum no. 20 was issued to acquire the Time Attendance and Scheduling System (TASS) and Cross Application Timesheet (CATS) project. This project improves service delivery, business processes and workforce capabilities. It also establishes Operation & Workforce Excellence. These capabilities modernize the City's payroll system. Two pilot divisions, Toronto Paramedic Services (TPS) and Parks, Forestry & Recreation (PF&R), were in scope. The focus was on improving service delivery by the Payroll, Pension and Employee Benefits Division (PPEB). This also included a secure platform for processing pay by integrating TASS with SAP CATS.

Purchase Order, PO 6041647, was originally issued to Kronos Canadian Systems Inc. ("Kronos"). The PO was for 12,800 Kronos Licenses for Parks, Forestry & Recreation and 1,200 Kronos Licenses for Toronto Paramedic Services. It also included associated maintenance and support charges for years 2-5 (2016-2020). Bundled pricing for licenses was negotiated for the life of the contract with Kronos, with no volume based discounts.

An amendment to the Purchase Order is required to procure Kronos software licenses for:

1. Kronos-loaned licenses which have been used by TPS in 2017, 2018 and 2019 (220)
2. Account for expected growth in 2020 and 2021 (300)
3. Acquire Additional Kronos Clock Terminals (10)

Toronto Paramedic Services is in agreement with amending the Purchase Order with Kronos Canadian Systems Inc. ("Kronos"). This amendment will support the annual increase of operational licensing needs in relation to the Time Attendance and Scheduling System, as outlined above (items #1 and 2).

CONTACT

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