

Non-Competitive Contract with Cornerstone OnDemand Inc. for the City's Enterprise Talent Management System and Online Learning

Date: November 24, 2025

To: General Government Committee

From: Chief People Officer and Chief Procurement Officer

Wards: All

SUMMARY

The purpose of this report is to request authority to enter into a non-competitive contract with Cornerstone OnDemand Inc. for professional services and licenses for the City's Enterprise Talent Management System and Online Content Libraries in the amount of \$4,796,753 net of Harmonized Sales Tax (\$4,881,176 net of Harmonized Sales Tax recoveries) for an initial period of three (3) years commencing on January 1, 2027, to December 31, 2029, with two (2) additional option year renewals.

Cornerstone OnDemand (CSOD), referred to internally as "ELI," is a comprehensive talent management system used to centralize and automate learning and development processes across the organization. Initially procured as a Learning Management System, CSOD has evolved into the City's Enterprise Talent Management System through additional capabilities, including online performance management.

A non-competitive procurement is required as a change cannot be made for economic or technical reasons without causing significant inconvenience prior to the expiration of the current contract. The current contract expires on December 31, 2026. Executing a new interim contract will ensure uninterrupted access to the Enterprise Talent Management System and associated Online Content Libraries, maintaining continuity of services for the City.

This integrated technology solution:

- Supports the City's learning and talent management approach
- Enables data and analytics capabilities to align learning and development resources to identify employee requirements
- Facilitates online enterprise and divisional learning and reporting in a central repository
- And supports the learning and development needs of City employees via multiple modalities and accessible 24/7.

If the recommendations in this report are not approved, the City will not have access to its enterprise talent management system, eliminating critical learning infrastructure and the ability to track and report on legislatively mandated training. This system is foundational to workforce compliance and capability across Divisions. Its discontinuation would expose the City to compliance risks, disrupt core operational functions, and compromise our ability to develop, retain, and manage talent effectively.

Non-competitive procurements may be undertaken where both the proposed procurement and supplier can be justified in good faith based on an exception set out in Toronto Municipal Code Chapter 195, Procurement. This non-competitive procurement with Cornerstone OnDemand Inc. will be proceeding under the exception code related to Compatibility, the City has determined in good faith that both the proposed procurement and the selected supplier, along with the terms and conditions of the contract are beneficial to the City (Toronto Municipal Code, Chapter 195, Procurement, Section 7.1E.).

City Council approval is required in accordance with Municipal Code Chapter 195, Purchasing, where the current request exceeds the Chief Procurement Officer's authority of the cumulative five-year commitment limit for each vendor under Article 7, Section 195-7.3(D) of the Purchasing By-law or exceeds the threshold of \$500,000 net of Harmonized Sales Tax allowed under staff authority as per the Toronto Municipal Code, Chapter 71, Financial Control, Section 71-11(A).

RECOMMENDATIONS

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

City Council authorize the Chief People Officer to negotiate and enter into a non-competitive agreement with Cornerstone OnDemand Inc. in the amount of \$4,796,753 net of Harmonized Sales Tax (\$4,881,176 net of Harmonized Sales Tax recoveries) for a three (3) year period, commencing on January 1, 2027 to December 31, 2029, with two (2) additional optional periods, on terms and conditions satisfactory to the Chief People Officer, People & Equity and in a form satisfactory to the City Solicitor.

FINANCIAL IMPACT

The total amount of the proposed contract including all years identified in this report is \$4,796,753 net of Harmonized Sales Tax. The total estimated cost to the City is \$4,881,176 net of Harmonized Sales Tax Recoveries.

Funding in the amount of \$4,881,176 net of HST Recoveries, will be included in the 2027-2032 City Manager's Office Operating Budget submissions under cost centre CM0502 as required.

Year	Total net of HST Recoveries
2027	\$ 936,156
2028	\$ 955,779
2029	\$ 975,814
2030 (Option Year One)	\$ 996,270
2031 (Option Year Two)	\$ 1,017,155
TOTAL	\$ 4,881,176

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

DECISION HISTORY

At its meeting on May 5 and 6, 2021, City Council authorized the Chief People Officer to negotiate and execute a non-competitive three (3) year agreement, with two (2) additional option year renewals with Cornerstone OnDemand Inc. for Enterprise Online Learning.

<https://secure.toronto.ca/council/agenda-item.do?item=2021.GL22.16>

At its meeting on January 4, 2021, the General Government and Licensing Committee adopted the recommendation to amend Blanket Contract 47018623 with Cornerstone OnDemand Inc. for Enterprise Online Learning.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.GL20.3>

At its meeting on August 1, 2013, the Bid Committee awarded Request for Proposal No. 3405-13- 3008 to Cornerstone OnDemand Inc. for the supply, delivery, implementation and support of a Learning Management System.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.BD136.9>

COMMENTS

In partnership with the Technology Services Division, an ELI Options and Exploration Seed Funding study was completed in 2019. The purpose of this study was to evaluate whether the City should continue with the current supplier or initiate a new procurement process for an alternative solution. At that time, the study recommended continuing with the existing supplier and revisiting options once the initial contract term concluded on December 31, 2024.

In 2025, the People & Equity initiated a capital project—the Talent Management System Assessment—to formally evaluate whether to remain with the current supplier or return to market. This work is being undertaken now following the approval of a capially funded project in August 2023. The capital project budget secured in 2024 established a dedicated team to support the assessment and define the future direction of the

Enterprise Talent Management System. This initiative is being undertaken in partnership with an external consulting firm engaged to conduct the review and provide strategic recommendations.

Talent Management System

Cornerstone OnDemand (CSOD), known as 'ELI' within the organization, is a robust talent management system that automates and centralizes corporate and division-specific data and records relating to learning and development within a single, central repository. Originally procured as a Learning Management System, it has evolved to become the City's Enterprise Talent Management System with the inclusion of online performance management.

ELI played a vital role during the pandemic and continues to support division-specific learning needs, including both compliance-based training and professional development, while enabling the tracking of legislated certifications and requirements.

The City's contract with CSOD began in 2013, covering supply, delivery, implementation, and support. Initially capital-funded for three years, it enabled rollout of the Learning and Connect modules. Five one-year renewals allowed for system expansion as the usage increased.

In 2021, the City enhanced the platform by adding the Performance Module and two online content libraries, formally transitioning ELI into a full Talent Management System. These additions ensure staff can continue developing critical skills through online learning, especially in the absence of in-person training. The Master Agreement allowed for flexibility to procure additional modules as well as online content.

Talent Management Solution (TMS) Assessment Project

In 2023, the Strategy and Portfolio Review Committee under the Technology Services Division, approved a capital project titled Talent Management Solution Assessment Project. This project was initiated to assess the City's current enterprise learning and talent management solution ELI - powered by CSOD, and to provide informed recommendations on whether to optimize, enhance, or replace the platform.

The assessment responds to the growing need for a modern, integrated, and user-friendly Talent Management Solution that can support learning, performance planning, succession management, compliance, and workforce development activities across the organization.

Project Scope and Objectives

The goals of the Talent Management Solution Assessment Project are to:

- Conduct a comprehensive current-state assessment of the existing ELI platform, including system usability, functionality, integration capabilities, analytics/reporting, and alignment with corporate strategies.
- Gather requirements from business units to understand diverse divisional needs and emerging priorities.
- Perform a market scan of comparable Learning and Talent Management solutions used in the broader public sector and large organizations.

- Complete a cost-benefit analysis to compare enhancement of the current platform versus transitioning to a new solution.
- Recommend a clear, future-facing roadmap that considers value for money, alignment with City objectives, and operational continuity.

The TMS Assessment project team led by the People & Equity Division in collaboration with Technology Services and Purchasing & Materials Management Division, was onboarded in the first quarter of 2025. A preliminary mini assessment was launched internally, focusing on stakeholder engagement and early discovery activities.

Benefits of the Assessment Approach

This staged and consultative approach provides the following advantages:

- Enables a data-driven, enterprise-wide decision about the future of talent management solution.
- Avoids premature investment or disruption by ensuring stakeholder needs are captured and analyzed before a supplier is selected.
- Supports procurement readiness by identifying key evaluation criteria and risk mitigation strategies early.
- Protects City operations by planning for business continuity during any future transition.

Alignment with other City initiatives

The TMS Assessment Project is closely aligned with several enterprise-wide modernization initiatives aimed at enhancing service delivery, workforce development, and digital integration. It supports modernized human resources services to improve employee experience through more responsive and streamlined digital tools.

The project also considers the full implementation of SAP SuccessFactors and is assessing how future talent functions such as performance and development planning could align with or integrate into that platform.

In response to the City's hybrid work strategy and ModernTO initiative, the assessment is also exploring scalable, mobile-ready solutions that ensure 24/7 access to training for both office-based and frontline staff. Importantly, all enterprise-wide projects and technology priorities are being considered to avoid overlap, ensure alignment, and support coordinated planning in the event a new system is required.

As the City continues to evolve how it attracts, develops, and retains talent, the TMS Assessment will play a key role in shaping a forward-looking Talent Management ecosystem. The project's recommendations will help ensure the City can meet legislative requirements, deliver consistent training, and support strategic workforce goals through a modern, flexible, and data-informed solution.

Next Steps

Upon completion of the assessment, final report, and recommendations by the capital project team in partnership with an external consulting firm — targeted for the second quarter of 2026, the reviewed findings will determine the optimal path forward. The outcomes of the assessment will inform next steps, whether to remain with the current

supplier or return to market. In either case, staff will submit a staff report for Council or committee consideration, as appropriate.

Timing Considerations

We are bringing this report forward earlier to give the City enough time to plan next steps and avoid any disruption in service. The timing is driven by several practical considerations:

- The final report and recommendations of assessment project to be completed, target date second quarter of 2026.
- If the recommendation is to continue with existing supplier, negotiating and finalizing a new agreement can take 8 – 10 months, involving both the supplier's and the City's legal teams.
- If the recommendation is to go to market, an extension of services will still be required with the current supplier while we run a Request for Proposal, evaluate suppliers, and plan for migration.

By seeking approval early, we ensure the City is positioned to act quickly once the assessment concludes, with no gap in service for employees and divisions.

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SIGNATURE

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