

BOARD OF HEALTH

Briefing Note

Health Unit Human Resources and Payroll Information Systems

Summary

The current Health Unit human resources and payroll platform will not be supported by Ceridian beyond December 31, 2019. We also need a better system to efficiently and effectively meet the new MOHLTC reporting requirements. After an analysis of two possible systems, the Health Unit will implement the Dayforce system, the replacement system supported by Ceridian. It is the least costly, easiest to implement, and will provide an effective and efficient Human Resources and Payroll Information Platform.

Background

In 2011, the Health Unit went from a manual time tracking system using Excel spreadsheets, to Ceridian HR/payroll Latitude (HPL), an electronic time tracking and payroll system. While the new system is electronic, it is separate from the accounting system, which is Sage/AccPac. On May 11, 2018 we received official notification that Ceridian will no longer be supporting our HPL software, as it has become outdated. The last payroll transmission using the current system will be December 31, 2019. Therefore, we will be required to secure a new time tracking and payroll system and roll it out before December 31, 2019.

Shortly after the release of the new OPHS and annual service plan budgeting requirements, a company called Sparkrock (formerly Atlas Dynamics), contacted Health Units in Ontario, promoting their fully integrated ERP as a product that would allow Health Units to meet the new MOHLTC reporting requirements. Sparkrock fully integrate HR/payroll functions, such as payroll, training, certification, benefits with finance functions, such as budgeting, fund accounting, purchasing, etc. In 2018, a number of health units signed with Sparkrock and are implementing their systems, including Grey-Bruce, KFL&A and Simcoe Muskoka.

Options Reviewed

1. Ceridian Dayforce:

QCIS management met with Ceridian on May 9th, to learn about the new software solution they have available (Dayforce) to replace the current system. Dayforce is a much broader system than our current time solutions and payroll system, being described as a “comprehensive, modern cloud platform for managing the employee lifecycle”. Dayforce integrates the HR and payroll function, so that there is only one employee record. There are a number of HR and payroll modules available; the standard modules that the Health Unit would get to replace the current functionality are Dayforce HCM (core elements and HR and Self-Service), Dayforce Payroll, Dayforce Time and Attendance, Dayforce Benefits and Dayforce HCM Education Package.

Features of Dayforce include:

- Self-service portal for employees, where everything can be seen and uploaded, including schedules, certifications, driver’s licence copies, T4, etc.
- Activity tracking feature, where staff can link their time to the various interventions/programs that are set up in the general ledger.
- Back-end GL system and the functionality to create an export file which can then imported into our Sage AccPac, which will save the time currently required for the payroll administrator to do manual entries.
- Additional modules available, including a document management module (personnel files), recruitment module, a performance assessment module.
- Modern report writer feature, with over 400 canned reports and the ability to modify canned reports. Online training in the report writer is available for no cost.
- Mobile Dayforce Ap with a link to Calendar on phone and the self-service portal.
- Regular software upgrades (2 per year) with no additional costs.

The **implementation timeframe** for Dayforce would be approximately 4-6 months for the main modules, assuming everything goes smoothly. During this time 40-50% of HR and payroll staff and management time must be dedicated to new system. Information from the current year can be moved and transitioned into the new system.

After meeting with the Ceridian representative in May, he provided a quotation for the fees for the new systems. There would be a **one-time fee** of \$13,985.40 to move to the new system and estimated recurring fees would be \$24,948.00, locked in for 3 years (and cost of living increases thereafter). Included in the Dayforce subscription fee is Dayforce HCM (core elements and HR and Self-Service), Dayforce Payroll, Dayforce Benefits, Dayforce Time and Attendance, and Dayforce HCM Education Package. The cost in 2017 for Ceridian for the current system was \$21,054.65 (without the HST rebate). Therefore, the difference between the two systems in **recurring costs** is \$3,893.35/year.

Benefits – The benefits of moving to Dayforce include:

- More affordable one-time costs and recurring costs
- Least amount of change, i.e. going with familiar company, GL does not have to change
- No impact on finance staff
- Integrated HR and payroll system and ability to export into the GL, so many efficiencies can be realized.
- Faster to implement – can be implemented before the retirement of the Business Manager and is less dependent on that position because it doesn't involve finance team.

Disadvantages

- Not one integrated system, with finance and accounting, however ability to export files will be of some improvement to current system.

2. ERP System: Sparkrock:

A discovery session was held with Sparkrock on May 24 to learn about the software they have to offer. Sparkrock is a fully integrated ERP solution, as opposed to a standalone system for HR and payroll. This means that finance and purchasing systems are integrated along with HR and payroll systems. If the Health Unit were to go with an ERP solution such as Sparkrock, it would replace not only time solutions and Ceridian, but ACCPAC as well.

Sparkrock system has the following functionality:

- Foundational modules, including finance management (general ledger, budget management, accounts payable and receivable, inventory management, purchasing and asset management) and Workforce management (payroll management, benefit management, absence management, appraisal management, employees HR self-service, training and certification management)
- Optional modules for both finance (online requisitions, financial analysis, online expense claims) and workforce management (employee scheduling, time clock and entry, training management)

Costs were briefly discussed at the end of the discovery session, as was the implementation timeframe. Sparkrock Moving to an ERP system, due to the degree of the change, would be transformative project and would require a 6 -12 month implementation timeframe. The roll-out would start with the finance modules, including the finance and purchasing (requisitions/expenses), followed by the HR and payroll implementation. The estimate provided on the one-time cost of the software was \$200,000. There are a couple of different licencing options available, which would impact the ongoing licencing costs: ownership of licences, which would be approximately \$100,000 one-time cost to purchase licences and a lower annual fee OR subscription option, including support, which would have higher annual costs.

Benefits include:

- Fully integrated HR, payroll and finance system
- Greater potential for efficiencies and return on investment in the long-term

Disadvantages:

- Prohibitive one-time and recurring costs
- Long implementation window, where staff must dedicate a large amount of time to roll-out and when there is an impending retirement of the Business Manager in 2019
- Degree of change for finance staff and capacity to successfully manage the change during a time of change in provincial requirements

Respectfully submitted,

Shani Gates, Director, QCIS Department

September 20, 2018