



SUBJECT: Corporate project status reporting – Feb, Mar, April, May 2023
TO: Corporate Services, Strategy, Risk & Accountability Cttee.
FROM: City Manager's Office

Report Number: CM-06-23

Wards Affected: All

File Numbers: 155-03-01

Date to Committee: June 26, 2023

Date to Council: July 11, 2023

Recommendation:

Receive and file city manager's office report CM-06-23 providing status reports for designated corporate projects for the period February through May 2023 as detailed in Appendix A and project specific expanded updates as contained in the strategy/process/risk section of this report.

PURPOSE:

Vision to Focus Alignment:

- Building more citizen engagement, community health and culture
- Deliver customer centric services with a focus on efficiency and technology transformation

Background and Discussion:

The City of Burlington has a number of projects to advance the V2F Focus Area 5: delivering customer centric services with a focus on efficiency and technology transformation. A corporate project designation reflects the breadth and depth of the scope of the project and its contribution to achieving customer first approach and digital transformation. For example, Enterprise Resource Planning (ERP), Enterprise Asset Management Software (EAMS), Customer Relationship Management (CRM) and Business Intelligence (BI).

In response to a motion of Council during the February 24, 2020 Council meeting with respect to the Enterprise Resource Planning (ERP) program report (IT-01-20), the first status reports were provided to Council through Corporate Project Governance and Status Updates (CM-10-20). This report also provided information on the theory of status reporting and the key elements of status reports in the City of Burlington including:

- Overall project status that considers scope, budget, and schedule and where clear criteria is established to objectively assess the status within each area.
- A brief description of the project and alignment to strategic goals.
- Highlights of key achievements since the last reporting period and key tasks planned for the upcoming period.
- Highlights of critical risks and challenges that form part of the risk management plan.
- Key tasks that address communications and engagement and information related to staff resourcing.
- Links to documents or tools and other information that may be relevant based on the project status.

When project implementation is complete, a project transition to operations. As this occurs, corporate project status reporting will indicate such transition thereby concluding the inclusion of the project in the reporting.

Strategy/process/risk

Project Status Updates

In keeping with open communication and engagement, this report provides Committee and Council with an update on the designated corporate initiatives including overall status, key milestones, critical risks, and other relevant information with the goal of providing assurance that project governance is working effectively.

Status updates are provided for the following corporate projects:

- Enterprise Resource Planning (ERP) Project,
- Enterprise Asset Management System (EAMS),
- Automated Vehicle Locator (AVL),
- Non-Union Job Evaluation (JE), and
- Property Tax Software Solution initiative.

These reports demonstrate the progress during the period February 2023 to May 2023.

Project Specific Expanded Updates

Periodically, it is beneficial to provide additional information on a project to expand beyond the brevity of the status update. This section provides this additional information on specific projects to augment understanding of a project's objectives and progress.

1. Non-Union Job Evaluation Project Update

The Non-union Job Evaluation Project is a large transformational initiative with the goal of modernizing our job evaluation system and re-aligning ourselves with our Council approved market position at the 65th percentile of the market. Phase 1 of the project is in the final stages as we move towards an implementation date of September 2023. As a reminder, the stated goals for Phase 1 (subject to budget) are:

Phase 1: Job Evaluation Program – implementation Fall 2023

- Establishes internal equity and external market competitiveness
- Employees below their new range will be brought into the range
- No employee will fall below 85% compa-ratio in their new range
- We will move employees into their new range at their current compa-ratio or at 85% of the new range.

The second phase of this project has the objective of directly tying performance to corporate, department and individual goals/targets while separating performance-based compensation from market-based adjustments. The stated goals of Phase 2 are:

Phase 2: Performance Based Compensation – implementation Spring 2024

- Design a system that allows staff to progress appropriately through their pay range in a reasonable timeframe (5 to 8 years)
- Implement a Performance-based system that clearly evaluates and measures an employee's contributions
- Create a program that is transparent by re-instating a market adjustment that is separate from performance/merit increases.

In phase 1 well over 360 non-union positions have been evaluated. Of these 360 positions, 317 jobs are full-time, and the remaining positions are part-time/contract. This project will impact approximately 505 full-time and 948 part-time employees. To transition employees, from one salary structure to the other, the 2023 compa-ratio for each employee was used. Salaries that fall below the pay grade will be brought up to the minimum of the pay grade, and salaries that fall above the pay

grade will be protected at the current wage rate so that the employee is not adversely impacted.

The Finance department is in the process of reviewing the final cost impacts, analyzing both from a budgeted and actual cost perspective. Additionally, the Job Evaluation and Workday Project teams have been working closely with each other to integrate the new pay structure into the new system and ensure all the salaries of non-union employees are accurately reflected in Workday.

A communication plan to advise employees of salary impacts and job evaluation outcomes includes the following:

- People leader online training to manage staff inquiries related to compensation and their Job evaluation outcome
- People Leader drop-in sessions with the Job Evaluation Project team to provide People Leaders with the opportunity to ask additional clarifying questions
- Conversations between People leaders and their direct reports explaining their specific pay treatment, Human Resources team will be on hand to provide leaders with support.
- Job Evaluation Outcome letters informing each employee of their new pay grade, salary, job title and effective date.

Documents to govern Job Evaluation procedures and maintenance of the new program will include:

- A Job Title framework
- Job Evaluation Appeal process
- Updated Salary Administration Guidelines and Policy.

All these documents are in the final stages of preparation and will be shared with all staff once they are completed and approved in time for implementation.

2. *Enterprise Resource Planning (ERP)*

This expanded information provides updated, current information related to the implementation of the ERP project and the Go-live activities for the Workday launch.

Background

The ERP project was initiated in May 2021 for the replacement of finance and human resources systems in the city. The approved budget for the project is \$13,980,700. A dedicated team of 14 resources are on the project, supported by Subject Matter Experts (SMEs) from the Human Resources (HR) and Finance departments, and other key service areas with specific HR or finance dependencies.

The project reports through the Senior Program Manager ERP & EAMS to the Executive Director Digital Service and Chief Information Officer (EDDSCIO), with governance provided through the Enterprise Software Steering Committee (ESSC).

The targeted Soft Launch is August 29th, 2023. This targeted launch is dependent on several activities that are yet to occur, including payroll parallel testing, User Acceptance Testing (UAT) and final data load to the production system. At Soft Launch, the system is live in a production environment, where access is limited to the HR and Finance departments. The limited access to the system will enable key service area superusers to become familiar with the system and to complete required data updates. Workday will not be the system of record at this point.

The ERP go-live and official launch of Workday to all city staff is targeted for September 10th, 2023. This represents the point in time when Workday will become the system of record for Finance and HR. All staff will have access to Workday at this point.

Progress

The ERP Implementation is on schedule for a successful launch. The team and the host of Subject Matter Experts (SME's) aligned with the project have completed design, configuration, and the End to End testing where specific scenarios and workstream processes have been tested.

The team has been working in the development instance of the system for over 5 months getting more and more familiar with the functionality.

Training materials are being prepared for everything from general navigation, time entry and paystub retrieval, through to the more complex processes of financial reconciliation and people management. Staff training will commence in June and continue through to go-live and beyond. Workday will be the source of training post go-live.

Communications and Change Management activities are in full swing, establishing templates and schedules to keep everyone informed of activities and to identify where additional supports are or may be needed prior to, or post go-live.

The team and sponsor departments are working on support and operational plans for Workday post go-live. This is where collectively, Finance, HR and BDS will be responsible to coordinate with the service areas in the broader organization for the sustainability and evolution of the ERP. The addition of resources in Finance, HR

and BDS will support the ERP product moving forward along with existing operational staff and SME's.

Challenges

As with any large scale project there have been challenges. The team, in concert with our System Implementor (SI) has diligently worked through all issues encountered to find the most direct, efficient, and cost effective resolution possible.

The challenges encountered to date can be summarized into several broad categories.

1. Resource challenges – the city has realized resource shortfalls as we have a finite number of qualified people to support the HR and Finance workstreams, and each of those have a finite number of hours to work on the project. The overall workload has exceeded the initial projections which has put added pressure on the Project Team.
2. Data challenges – the city has lots of data. What the team has discovered through the project is that not all our data is good, nor is it all complete. Primarily data challenges have emerged in combining HR data from 3 or 4 separate standalone systems and other data sources, such as spreadsheets, into a single consolidated system with different data formats and requirements. What has also been uncovered is that some of the data required did not exist or was managed outside existing systems in a series of unconnected spreadsheets.
3. Coincident timing for JE – the layering of the JE project on top of the ERP project has added workload to the project team and limited support that can be provided by some of the HR SME's. It has required a great deal of data manipulation and validation moving from several systems with one compensation plan, to a single system with a different compensation plan. This change is the most significant as it is key to ensuring that all staff are paid correctly when Workday is initiated.
4. Testing has taken additional resources and more time than was anticipated. This was necessary to ensure that the workflows and processes are as complete as possible prior to go-live to support a successful transition to the new operating environment.

Payroll Parallel Testing

The next major activity being undertaking is a thorough testing of payroll in Workday. This will be performed with comparisons to actual payroll runs generated from our

current payroll system. During the next month the project team, HR and Finance staff will be testing the validity of all aspects of payroll to ensure completeness, accuracy and processing success. The SI will be working with us to validate and troubleshoot process and results, and we will be working with the Bank to verify the composure and content of the pay file generated. There are two pay cycles that will be tested to capture as large a spectrum of payroll variations as possible. The payroll testing phase is critical as the next step in the path for go-live readiness.

Cut-Over Planning

The project team, HR, Finance, and BDS departments are in the process of working through the Cut-over Plan to outline what will be happening in the final month working up to go-live. This period is critical to understand as it defines time periods and activities leading up to go-live which may affect normal operations for some operational workstreams and processes. Details in the cut-over planning include:

- what activities are required in what sequence,
- what resources are needed to support activities,
- when legacy systems will enter a blackout period (no further activity),
- what happens at soft launch and at official go-live, and
- what is critical to be completed during the all-important catch-up (delta) period between Soft Launch and go-live.

The timing of activities needs to be communicated to those involved for resource planning. The overall timing and schedule need to be provided to the entire organization.

ERP Soft Launch and Go-Live

The Soft Launch on August 29th will turn on the production environment for Workday. This will only be available to the HR and Finance departments and specific other service areas that will have data to update and manage.

The period between August 29th and September 10th serves two main functions. First, it allows time for key operational staff to be in the system getting more familiar with Workday functionality. Second, and more importantly, this period allows for a data catchup to occur. The data that is loaded into the production environment will have a timestamp of early July. This timing allows the data to be captured, validated, loaded, and confirmed in the production environment before go-live. Any operational activities that have occurred in existing finance and HR systems since the capture date will need to be loaded into the production environment once it is live. The team will prioritize the data for loading based on those most critical to go-live for the whole organization (e.g., any new hires, job changes, retirements, terminations, etc.) to

ensure payroll reflects any changes that have occurred. All financial transactions that have occurred during this period will also need to be migrated or manually updated.

The September 10th official go-live date will move Workday into the position of system of record for HR and Finance. This date corresponds to a new payroll cycle so that time and attendance can be coordinated. Time worked up to and including September 9th will be in the legacy system, with related payroll generated from the old system. Time worked starting September 10th will be entered into, and payroll generated from, Workday.

ERP Post Go-Live

On September 10th, the project enters a 6-week period of post go-live support where any issues that arise or remain are dealt with in conjunction with the SI. The project team remains in place to support the ERP product until the end of September. At the same time, HR and Finance take ownership of daily operations within their respective workstreams to provide for ongoing business continuity within the city.

Training will continue and training material will continue to be updated as required over time.

The BDS Service Desk will record ongoing issues both functional and technical, routing to the appropriate workstream for resolution.

A noticeable change with the ERP implementation will be the reliance on the business areas (HR and Finance) at an operational level for the Workday solution. BDS will support the technical end of the product (system integrations, data management, security, complex reporting) while functional configuration will be owned by the functional department (business requirements, functional roadmap). Together the Product Team will recommend and prioritize enhancements and evolution of the system moving forward. Operational support of Workday also includes the post-go live resources approved as part of the 2023 budget and the business case included in the multi-year simulation. The Business Case may be updated as a result of learnings from the Cut-Over Plan.

Financial Matters:

Each of the corporate projects has allocated funding sources within previously approved capital or operating budgets.

Other Resource Impacts

City staff outside of the corporate project teams are involved in the project planning and implementation (e.g. subject matter experts) for functional and technical requirements gathering, RFP assessment and evaluation, and solution implementation (including any necessary process changes).

Climate Implications:

Many of the corporate initiatives/projects have environmental benefits including, yet not limited to, reduction in use of paper, ability to measure and monitor GHGs, etc.

Engagement Matters:

During project development and implementation, city staff and key stakeholders are consulted for their input in process design and operations. Corporate projects engage through their respective steering committees with information flowing to Burlington Leadership Team. Status reporting will be provided to Committee and Council on a quarterly basis and as required.

Conclusion:

This report provides status reporting to Committee and Council for corporate initiatives/projects with broad impact across the whole of the organization to provide information regarding the use of resources. Reporting on project status will be provided in September 2023 covering the period June to August 2023.

Respectfully submitted,

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Appendices:

- A. Corporate Project Status Reports

Report Approval:

All reports are reviewed and/or approved by Department Director, the Chief Financial Officer and the Executive Director of Legal Services & Corporation Counsel.