

## MANAGEMENT REPORT

**Date:** October 17, 2023  
**To:** Finance and Labour Relations Sub-Committee  
**From:** Karmen Krueger, CPA, CA, Director of Corporate Services/Treasurer  
**Report Number:** FIN23-032  
**Attachments:** None

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**Title:** Multi-Year Software Licensing Agreement-Vidcruiter

**Objective:** To seek Council approval to proceed with a multi-year agreement to ensure best pricing for Human Resources software.

**Background:** As part of the City's 2021 Service Delivery Review, the introduction of a digitized Human Resources Information System (HRIS) was identified as a key priority for improved efficiency and modernization in the City of Stratford's Human Resources division.

Recruitment and screening comprised the majority of HR's daily responsibilities. Introducing a Recruitment System, the first step, was expected to reduce the amount of manual hours needed to carry out recruitment processes by 50%.

A fully implemented HRIS system would further allow the City to integrate new HR functions (e.g. credential tracking, maintaining training records, performance goals, succession planning, management self service, and a matrix for tracking and measuring diversification of the workforce). The Recruitment System represented the first phase of HRIS implementation. As additional grant opportunities arise, staff will be exploring other phases of HRIS.

In 2022, as part of the capital project program, purchase of a new software tool was approved to assist the Human Resources department with recruitment. Staff reviewed several options at the time, and using grant funding under the Municipal Modernization Program, were able to cover the installation, training, and initial subscription period for Vidcruiter software that ends November, 2023.

Staff have been provided several term and pricing options to renew the annual subscription.

**Analysis:** Pricing options range from 12 months to 36 months. The price for a one year renewal is \$30,986.91 plus HST and for a 3 year is \$86,391.36. The three-year offer is more heavily discounted, which would result in a total savings of \$6,490.84 over the term, or \$2,163.61 annually, making this the lowest cost option.

While annual renewals are typically within the operational discretion of staff, because the recommendation is a multi-year agreement, staff are asking Council for approval to proceed. Should Council not wish to enter into a multi-year agreement, staff could opt for a one year renewal only.

This HRIS system is a digital program that the City has corporately invested into our day to day operations. This system has resulted in efficiencies in HR recruitment processes and documentation and these efficiencies will continue to be experienced should the City continue to use this digital program in the medium term as is being recommended.

The City is required to report out to the Province on the efficiencies gained from the use of the Municipal Modernization Funds.

### **Financial Implications:**

#### **Financial impact to current year operating budget:**

Payment for the three year term would be required at the time of renewal, and paid in full, however, would be expensed in each of the appropriate years, spreading the prorated accounting costs over the 3 years. The result is a cash flow implication in 2023 of \$86,391.36, but an accounting savings as noted above in each of the years. It is expected that the cash flow can be managed within the 2023 cash surplus/deficit.

#### **Financial impact on future year operating budget:**

The amount relating to each year will be expensed in the appropriate year, and the multi-year has the effect of price-fixing for greater stability in the coming 3 years. The 2024, 2025 and 2026 budgets will include the annual amount to be paid for by taxation. The amounts relating to subsequent years are recorded as a 'prepaid expense' on the balance sheet and brought into the IT department expenses each year. An additional accounting entry to allocate these costs to the HR division occurs as an interfunctional entry.

### **Alignment with Strategic Priorities:**

#### **Strengthening our Plans, Strategies and Partnerships**

Partnering with the community to make plans for our collective priorities in arts, culture, heritage and more. Communicating clearly with the public around our plans and activities.

**Developing our Resources**

Optimizing Stratford's physical assets and digital resources. Planning a sustainable future for Stratford's resources and environment.

**Alignment with One Planet Principles:****Not applicable:**

The One Planet Principles do not apply to a software renewal agreement.

**Staff Recommendation: THAT staff be authorized to renew the Vidcruiter subscription for a three-year term to 2026.**

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