

#### **CM13.4. Human Resources Information System (HRIS) Contract No 21/01950**

<b>DATE</b>	16 March 2022	<b>FIL REFERENCE</b>	FIL21/01950-02
<b>CONFIDENTIAL</b>	No		
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#### **Purpose of Report**

To recommend to Council a preferred software provider for the procurement of a Human Resource Information System (HRIS), through a qualitative and quantitative assessment.

#### **Background**

In mid-2021, the People and Culture team at AlburyCity undertook a project to review and identify systems which will deliver the current and future workforce needs and strategic objectives of the organisation.

Through an organisational systems review and engagement with Our People, it was identified that AlburyCity's current Human Resources (HR) and Payroll systems were inadequate, lacking in capability to drive workforce strategic objectives and ability to prepare AlburyCity for future growth, development and diverse ways of working. Instead, current systems are reliant on manual intervention including spreadsheets, inefficient processes and manual data entry which utilises high levels of resourcing and results in sub optimal performance, lack of analytics and meaningful reporting to support decision making around workforce development and management. To achieve the strategic objectives for organisation and our people and to drive community outcomes through our workforce, an investment in a fit for purpose Human Resource Information System is required.

AlburyCity currently use the HR and payroll software module - Authority, which sits within Civica (Council's Enterprise Resource Management System) which has the overall purpose of running multiple functions for Council such as Finance, Procurement, Planning, Water and Rates, Customer Requests rather than being a specialist Human Resource Management solution.

The review highlighted that further investment into the Authority HR and payroll module was not viable, and its current capability and future development plans provided by Civica in their systems roadmap in the coming years was not going to address the specific requirements of our workforce and 'Our People' strategic plans. As Authority is used for multiple functions internally, a new HR solution will need to share data with Authority and other systems to ensure we deliver on the objectives of a seamless customer experience whilst maintaining data integrity. Any new HRIS must therefore ensure integration capability with Authority and Civica modules to fit within AlburyCity's current enterprise hierarchy.

This project is seen as a key enabling project to deliver Council's Workforce Management Strategy (WFMS) which is a requirement under the Integrated Planning and Reporting Framework. The WFMS sets out how AlburyCity will support outcomes agreed to in Council's Delivery Program through a capable, skilled and motivated workforce. The WFMS has a four-year focus and therefore requires supporting infrastructure such as a HRIS capable of supporting and focussing on attracting, retaining, leading and building a capable workforce who are engaged and motivated to contribute to achieve outcomes for our community. This project has also enabled a deep dive into understanding the needs of our current and future workforce and the requirements of a system to support delivery of identified People and Culture objectives.

An effective HRIS is also a key component for the delivery of the Our Future 2031 Strategy and in particular, leadership and performance measurement against our Corporate Success Pillars. Engaged People, Good Governance, Service Excellence and Sustainable Finance are all aspects which will enable AlburyCity to be a dynamic, can-do, innovative and collaborative organisation that empowers progress through serving with excellence and taking care of our place.

### **Project Objectives**

AlburyCity seeks to acquire a contemporary HRIS which will support the organisation to move through a digital transformation process to achieve its workforce strategic objectives including linking people management to business functions. AlburyCity views its people as assets to be invested in, led and empowered to maximise their personal and business value, which are core pillars of best practice Human Capital Management (HCM). HCM refers to the set of practices related to people resource management. These practices are focused on the organisational need to provide specific competencies and are implemented in three categories: workforce acquisition, workforce management and workforce optimisation.

A HRIS will integrate all aspects of the HCM and will drive end to end processes, manage the lifecycle phases from recruitment through to off-boarding, building programs and identifying gaps in required skills to develop Our People to meet the current and future workforce needs.

The objectives of this project are to:

- Transfer current People and Culture processes from labour intensive and manual inputs to a digital and best practice platform.
- Deliver a workforce who are in the right position, at the right time with the right mix of capabilities, skills and experience represented through agility, flexibility and ability to respond to change.
- In-time data and analytics to support decision making for immediate, short and longer term.
- Enhance People and Culture's service delivery that will represent customer centric products and services and will exceed expectations.
- Deliver and maintain a workforce that exceeds Return on Public Investment (ROPI), and proactively seeks partnerships to facilitate long term financial sustainability for AlburyCity, the customers and community it serves.
- An anytime, anywhere functionality to support the diverse nature of our workforce, and current and future ways of working.

The proposed solution will encompass the following key People and Culture service scope areas:

- Position Management
- Recruitment and Selection/Talent Pooling
- Learning and Development Management
- Performance Management
- Workforce Capability Framework
- Succession Planning
- Talent Management
- Payroll / Leave / Timesheets
- Work Health and Safety

Council's initial budget allocation for this project was \$450K excluding GST, with a further \$500K excluding GST proposed for inclusion in the 2022-2023 draft budget, recognising the project will be split over two financial years to facilitate delivery. This amount includes the software acquisition, implementation and licencing fees for the first year.

### **Request for Tender (RFT) process**

The procurement and tender assessment process were structured in the following phases.

1. *Formation of RFT Evaluation Working Group* – appointing key assessment panel (scoring) members prior to close of tenders, with additional (non-scoring) input of subject matter experts from IT, People and Culture cluster, other key stakeholders and frontline users from across the organisation including indoor and outdoor workers to understand product functionality and user experience.
2. *Conformity check* – of submissions to ensure all was received in accordance with the contract documentation requirements and specification.
3. *Initial Qualitative and Quantitative Shortlist* – based on the selection criteria, submitted prices and technical considerations set out in the RFT.
4. *Product Demonstration* – where selected tenderers demonstrated key processes to the RFT Evaluation Working Group for understanding, clarification, and product technical assessment.
5. *Testing environment* – whereby an environment was provided or demonstrated that was reflective of proposals and AlburyCity's needs to enable assessment of functionality, workflow, data load of subset of personnel, integration connectivity (extraction and upload), data sharing capabilities.

Tenders were invited for Contract 21/01950 – Supply and Implementation of a Human Resource Information System and was advertised on Tenderlink and in the Sydney Morning Herald on 13 August 2021 and closed on 13 September 2021 at 12pm.

At the close of tenders, submissions were received from the following companies:

1. Deloitte
2. Elmo Software Limited
3. Eredox Pty Ltd
4. Evolutionary Systems Pty Ltd
5. LG Software Solutions Pty Limited TA PULSE Software
6. MAGNISOL

7. OscilloSoft Pty Ltd
8. Pinpoint HRM
9. Technology One

The core assessment panel for the tender evaluation comprised of:

- Service Leader People and Culture, Cate Stevens; Project Sponsor
- Team Leader Information Management, Stuart Ross; Project Lead
- Team Leader Our People, Stacey Butler
- Team Leader Organisational Development, Jess Wilson; and
- Team Leader Procurement Services, Elisha Lieschke (in consultation).

### Conformity Check

A conformity assessment was undertaken to ensure all submissions received were in accordance with the contract documentation and specification.

Company	Pricing Details	Supporting Information	Comment
Deloitte	✓	✓	Conforming with variations
Elmo Software Limited	✓	✓	Conforming with variations
Eredox Pty Ltd	✓	✓	Conforming with variations
Evolutionary Systems Pty Ltd	✓	✓	Conforming with variations
LG Software Solutions Pty Ltd T/A PULSE Software	✓	✓	Conforming with variations
MAGNISOL	✓	✓	Conforming with variations
OscilloSoft Pty Ltd	✓	✓	Conforming with variations
Pinpoint HRM	✓	✓	Conforming with variations
Technology One	✓	✓	Conforming with variations

As indicated above, all submissions received were assessed as conforming tenders with variations. This is largely due to proprietary software, hosting and commercial licencing arrangements tendered and the specialised contractual nature of IT procurements, where each submission offered minor differences and proposed alternatives to Council's standard terms and conditions. After procurement and legal review, Council will be required to negotiate and accept a contract provided by the Tenderer.

The Assessment Panel then went on to score qualitative and quantitative aspects of each submission to assess the tenders against each of the nominated selection criteria. All tenders were evaluated in accordance with Council's Procurement Policy and Guidelines.

Due to the technical nature of such software systems and complexity of detailed integration capabilities requested and required of each tenderer in response to the RFT, this report will speak to each submission in broad general terms.

### Qualitative Assessment

A qualitative assessment considered a range of issues including:

- Past performance – including referee checks, relevant experience, and expertise in performing same or similar projects.
- Methodology and program – project management, work methods and proposed implementation program.
- Capacity – current and future commitments and workload.
- Capability – technical merits, including demonstration of abilities to meet established requirements, criteria and fitness for purpose.
- Benefit to local region – social and community benefit to the Albury-Wodonga region.

The following results summarise the weightings, scores and initial assessment.

Table 1a (Intent to establish a Shortlist)

<b>Company</b>	<b>Past Performance (15%)</b>	<b>Methodology &amp; Program (10%)</b>	<b>Capacity (30%)</b>	<b>Capability (35%)</b>	<b>Local Benefit (10%)</b>	<b>Total Score</b>
Deloitte	11	7	23	26	1	62
Elmo Software Ltd	11	7	23	27	2	70
Eredox Pty Ltd	6	3	8	21	1	39
Evolutionary Systems Pty Ltd	10	6	22	25	2	64
LG Software Solutions Pty Limited (Pulse)	10	6	18	22	2	58
Magnisol	9	4	15	21	2	51
OscilloSoft Pty Ltd	6	6	18	16	2	48
Pinpoint HRM	8	7	20	26	1	62
TechnologyOne	11	7	21	27	1	67

Due to the nature of IT procurements whereby the providers are typically based and headquartered in Capital cities or offshore, there is very limited benefit to the local region as a result of this procurement activity beyond that of general accommodation, retail and restaurant expenditure for project members when travelling to Council as part of the planning and implementation of the HRIS project.

### **Deloitte**

Deloitte Consulting is a leading professional services organisation and experienced Oracle HCM Cloud Partner in the Australian Market. Deloitte consultancy provides services across Strategy, Digital Marketing, Core Business Operations, Enterprise Technology & Human Capital. Deloitte work with several different organisations and industries and have a strong presence in the Government sector (Local, State & Federal).

The proposed AlburyCity solution is the implementation of Oracle HCM and Deloitte's Oracle Cloud Payroll. The Oracle HCM solution has a growing presence amongst Local Government to meet diverse workforce needs, reporting, and strategic workforce planning and Gartner have awarded Oracle HCM Cloud the leading Human Capital Solution in the market over the last four years. Deloitte and Oracle HCM have 21 years proven partnership history with over 200 modules implemented across Australia and over 60% of local Oracle HCM installations delivered by Deloitte. Deloitte in their tender submission presented evidence of past Local Government performance, and comparable works of similar nature demonstrating their company experience, performance and capacity to deliver on the scope of works, supporting their proposed delivery methodology. Deloitte provided clearly detailed module inclusions and business capability to meet Council's requirements.

### **Elmo Software Ltd**

Founded in 2002, ELMO Software are unique in their single vendor offering as a cloud-based SaaS HRIS solution provider designed for the Australasian market. They are a preferred partner of a wide range of organisations (more than 10,000) across multiple sectors and industries, including ASX listed entities, Government, Not-For-Profit, Education, and Information Technology & Telecommunication, evidenced by a 92% customer retention rate. ELMO have a broad government portfolio (Federal, State and Local) with over 300 organisations across Australia engaged in single/multi module solutions or full HRIS product solution. ELMO have been recognised with several awards for their products, clients & SaaS offerings.

The proposed AlburyCity solution is the implementation of a single ELMO integrated platform providing multiple highly configurable HRIS modules. ELMO, in their tender submission, presented evidence of past Local Government performance and comparable works of similar nature demonstrating their company experience, performance and capacity to deliver on the scope of works, supporting their proposed delivery methodology. ELMO provided clearly detailed module inclusions and business requirement criteria capability.

### **Eredox Pty Ltd**

Eredox is a Software Development and Consulting Management Practice that provides and implements a range of Enterprise Software and IT Services. Only basic company information was provided to support their tender submission with a limited software solution proposed. The submission demonstrated gaps in capability, capacity and compliance with the specification outlined by Council in the RFT. Eredox's schedule of past experience recorded no previous Local Government or comparable experience of projects of similar scale, but rather single or package-based CRM/ERP module implementations, not a full HRIS suite or total system project implementation.

The proposed AlburyCity solution and Eredox's tender submission did not provide the Panel members with adequate confidence that the solution would achieve the project objectives, or their capability to deliver a project of this scale and complexity for AlburyCity Council.

### **Evolutionary Systems**

Evolutionary Systems (Evosys) are 100% owned by Mastek Ltd a multinational technology company with a long history of delivering digital transformation projects to enterprise customers globally. Evosys entirely focus on implementing Oracle Cloud applications, with over 1200 Oracle SaaS implementations, 900 implementations of Oracle HCM solutions and have partnered with Aurion Payroll Cloud. With over 30 years of business, Aurion pay over 2.5% of the Australian workforce. Oracle HCM Cloud is a market leading, fully integrated HCM platform, described as an enterprise grade solution and classified by Gartner as the clear leader in the Gartner Magic Quadrant.

Evosys are an Oracle Platinum partner with 10 years past performance in implementing Oracle HCM solutions and are globally Oracle's largest HCM Cloud implementation partner with over 900 customers and over 40 Local Government organisations globally. Evosys were recipients of "Cloud Excellence in Customer Satisfaction, APAC" award at Oracle Open World 2018 with a strong dedicated customer service and relationship commitment.

The proposed AlburyCity solution is the implementation of Oracle HCM Cloud and Aurion Payroll Cloud. Evosys demonstrated extensive experience in their submission delivering solutions similar to AlburyCity's scope of works for the private sector and other complete council HRIS transformations. Evosys provided a clear solution with detailed module inclusions that addresses Council's business requirements and key selection criteria. Their previous implementation projects were directly comparable and of similar nature, demonstrating their experience, past performance, and capacity to deliver on the scope of works, which was accompanied by a proposed program outlining project delivery methodology.

### **Magnisol**

Magnisol is an implementation and delivery partner for Ceridian Dayforce and has over 30 years of people system delivery expertise. Magnisol is a member of groupelephant.com, with a presence across 33 countries, the group has been involved in over 1500 people system implementations globally. Ceridian Dayforce is a global HCM software platform which enables employers to manage all stages of an employee's employment lifecycle.

The proposed AlburyCity solution comprised Ceridian Dayforce HCM, a SaaS product and a single platform HR and Payroll solution. Magnisol presented limited evidence of past experience in Local Government performance. However, past performance examples were of comparable HCM implementations demonstrating their company experience, performance and capacity to deliver on the scope of works, supporting their proposed delivery methodology. There were several selection criteria that select module solutions were partially or not compliant in meeting at this current point in time, or not available in their road map posing critical limitations to fit for purpose capability. Ceridian's road map was not made available for consideration.

### **OscilloSoft Pty Ltd**

OscilloSoft are an IT consulting firm providing E-Commerce application development, ERP consulting and hardware sales, IT Systems analysis and project management (outsourcing). They are a reseller of third-party software and hardware and provide services such as software development/programming, systems integration and Website Design. They are an authorised partner for Zoho, a SaaS-based technology solution that provide a module-based solution that makes up the Zoho ecosystem - Zoho People, Zoho Recruit, Zoho Creator and Zoho Analytics as well as integrations with XOXOday for reward and recognition and KEYPAY for payroll. Limited company information was provided to support the tender application.

The proposed AlburyCity solution comprised of all the above Zoho modules; however, limited functional capability and compliance was evidenced with gaps in their offering that would not fully address Council's project objectives. OscilloSoft's schedule of experience recorded no past Local Government experience, and single or package based Zoho module implementation rather than a full HRIS suite full implementation. Schedule of company experience by OscilloSoft did not give panel members adequate confidence in their capacity and capability to deliver a project of this scale and complexity for AlburyCity Council.

### **Pinpoint HRM**

Pinpoint HRM are an Australian based specialist provider in HCM and talent acquisition solutions, including advisory, delivery, training and cloud-based solution offerings. Since 2004 Pinpoint have delivered over 700 digital transformation projects, with a focus on the Australian and New Zealand region, with particular focus on organisations with less than 2000 employees. Pinpoint are also providers of Oracle HCM solutions that are partnered with Aurion Payroll Cloud. Oracle Cloud HCM is a complete HRIS solution connecting every human resource process from hire to retire. Aurion has proven experience with implementation and software development since 1985 with over 300 customers using Aurion's People & payroll solutions. Pinpoint HRM have been recognised as an Oracle Gold Implementation Partner and were the winners of the Oracle HCM Implementation Partner of the Year Award in 2017.

The proposed AlburyCity solution comprised of the Oracle Cloud HCM solutions partnered with Aurion Payroll Cloud. Pinpoint presented evidence of previous Local Government experience for singular Oracle and Aurion implementation projects, with an example also provided of a combined Aurion and Oracle Local Government implementation. All experience was comparable works of similar nature demonstrating their company experience, product performance and capacity to deliver on the scope of works; a supporting project delivery methodology was provided. Pinpoint provided clearly detailed module inclusions and demonstrated compliance with business requirements outlined in the RFT.

### **TechnologyOne**

TechnologyOne (TechOne) have operated for approximately 34 years as a software solution developer from sales, implementation and software support with over 300 Local Government partnerships. They provide and support integrated software solutions across key markets throughout Australia, New Zealand, the United Kingdom and Asia Pacific, with a retention rate of over 99% of customers. Whilst demonstrating a broad Local Government portfolio, TechOne specialise in providing a suite of modules for Financial Management, Property and Revenue Management, Procurement and Inventory

Management, Project Management, Asset Operations and Maintenance, Strategic Asset and Spatial Management, Customer Relationship Management, Regulatory and Compliance, Corporate Strategy and Planning referred to as 'OneCouncil solution'.

The proposed AlburyCity solution comprised of the HRIS component of its OneCouncil software for Local Government, the TechOne HR and Payroll solution, plus a third-party integration with Velpic, an eLearning solution to meet the Learning Management System requirements set out in the RFT. TechOne was able to demonstrate extensive Local Government experience with detailed product performance and comparable works of similar nature demonstrating their capacity to deliver on the scope of works, with a supporting project delivery methodology. TechOne provided clearly detailed module inclusions and demonstrated general compliance with business requirements outlined in the RFT.

#### **LG Software Solutions Pty Limited (PULSE Software)**

Established in 2012, LG Software Solutions provide a secure cloud-based package called Pulse with various modules across a wide range of organisational functions and including a HRIS solution. Pulse supports 53% of New South Wales councils, 20% of Victorian councils in various functions with growth across Australia since expanding beyond their initial sole product of 'Corporate Planning and Reporting'.

The proposed AlburyCity solution comprised Pulse Software's Talent and Human Resources Solution and Definitiv Payroll module. The Pulse solution is functional. There were, however, several business requirements that their select module solutions tendered were partially and/or not compliant in meeting at this current point in time, or further information was not available in their road map about future improvements planned which poses critical limitations to its suitability and fit for purpose capability. Whilst they have a broad Local Government portfolio with demonstrated experience working with councils including AlburyCity, where we currently utilise Pulse for Corporate Integrated Planning and Reporting, the Governance register and for the storage, management and acknowledgement of delegations, policies and procedures, their experience demonstrated single or package-based module implementation (for groups of modules) rather than a full end to end HRIS suite capable of all aspects of the HCM lifecycle.

#### **Quantitative Assessment**

The quantitative score is based on the tendered price for the provision of the HRIS, requested implementation and project management and ongoing operational costs requested as part of the RFT.

The following results in the order of lowest cost to highest and summarise the initial assessment.

Table 1b (Intent to establish Shortlist)

Company	Tendered Price (ex GST)	Quantitative Score
Eredox Pty Ltd	\$166,900	100
TechnologyOne	\$368,294	45
Elmo Software Ltd	\$348,100	43
OscilloSoft Pty Ltd	\$411,100	41
LG Software Solutions	\$443,815	38
Pinpoint HRM	\$922,252	26
Evolutionary Systems Pty Ltd	\$948,307	22
Deloitte	\$1,346,070	18
Magnisol	\$1,418,880	12

Eredox provided the most price advantageous submission followed by TechOne and ELMO. The top four submissions from a price perspective were between 72%-90% less than the two highest submissions from Deloitte and Magnisol.

The combination of the Qualitative and Quantitative assessments are listed in the below table:

Table 1c (Summary of Initial Assessment)

Company	Qualitative	Quantitative
Deloitte	62	18
Elmo Software Limited	70	43
Eredox Pty Ltd	39	100
Evolutionary Systems Pty Ltd	64	22
Magnisol	30	12
OscilloSoft Pty Ltd	48	41
Pinpoint HRM	62	26
TechnologyOne	67	45
LG Software Solutions Pty Limited (Pulse)	58	38

As per the above, the following tenderers were ranked the lowest in Qualitative scores after assessment against key selection criteria and the RFT specifications and therefore were not considered as a viable option to progress through to the next demonstration phase or to be considered further in this report:

- LG Solutions (PULSE)
- Eredox; and
- Oscillosoft
- Magnisol

At this point, the following tenderers were not moved through to the demonstration phase based on the variance between Quantitative pricing data placing the tenderers at the higher end or beyond Council's budget allocation and acceptable Quantitative limits:

- Deloitte
- Evolutionary Systems Pty Ltd.

As a result of the above, the panel moved that ELMO, TechOne and PinPoint HRM be shortlisted to progress through to the detailed demonstration phase.

### **Demonstration and Testing Phases (First Round)**

Demonstrations were undertaken individually and virtually (given COVID-19 limitations at the time) with each of the shortlisted tenderers. They were fully recorded and conducted in line with Procurement guidance and probity. This allowed a deeper dive and the ability for Council to seek clarifications into their respective software solutions, to better understand and validate the tenderers undertaking of Council's requirements as presented via their tender submission.

Each demonstration was broken into two sections:

1. Present the product offering against the tender specifications with key AlburyCity subject matter experts present, including the evaluation working group members, front line staff and leaders; and
2. A closer Review/Testing of specific areas requiring further exploration and clarification specific to AlburyCity's requirements.

To summarise the key findings resulting from the demonstrations broadly:

**TechnologyOne** – Although the product was demonstrated well to address the project's specification, it became apparent to the panel that several business requirements and key criteria of their workforce strategic modules relating to data reporting, building capability, succession and talent management did not demonstrate the desired level of capability. TechOne demonstrated limited reporting, dashboards, analytics and could not deliver strategic workforce modelling and forecasting, or the nine-box grid which is a well-known tool for talent management and succession as part of their solution. It was identified through the demonstration phase that TechOne's payroll solution did not possess functionality to accommodate project and asset costings with our existing finance module without additional expenditure.

Although TechOne was deemed a compliant with variations tender with notable strategic HRIS limitations, through clarification it was understood that further modules (at an additional investment) would be required to be included in their proposal to ensure they met project specifications, some of which would be replicating data systems already in place via other Council systems like Authority.

**Pinpoint** – The product demonstration provided evidence of Oracle HCM's advanced ability to provide value for money in relation to supporting the delivery of strategic HR management and workforce objectives. PinPoint demonstrated this well through superior HRIS modules that supported reporting and dashboard functionality for workforce data analytics, visibility and forecasting potential, which could support current and future decision making relating to workforce development and management, building capability, succession and talent management. This aspect was assessed as highly beneficial and providing a clear return on investment with regards to time and efficiency savings.

The Oracle HCM and Aurion Payroll solutions demonstrated full compliance across all fit for purpose criteria and demonstrated significant integration capability for working together with Council's existing systems. All critical business requirements and key selection criteria were addressed, and project objectives can be delivered through the product solution with full integration to deliver a superior user experience. Pinpoint further demonstrated strong partnerships and working relationships with the Oracle and Aurion teams and afforded positive customer service and help solutions that will be essential to AlburyCity's change management and system implementation. Pinpoints product solutions with their vast capabilities displayed longevity and sustainability in meeting our longer-term HR strategic objectives.

**ELMO** – Although the product was demonstrated well to address the project's specification, in amongst various modules while presenting their solution, it was identified and further clarified that a critical business requirement relative to the organisational structure and position management foundations was not available and the system as it stood, could not meet AlburyCity's requirements in that it did not allow for an employee to hold more than one position within Council's structure. Furthermore, it was identified that ELMOs proposed payroll solution did not possess full capability in functionality required by Council. The demonstration process indicated to the panel that ELMO did not meet the specification outlined by the RFT due to their inability to meet foundational organisational structure requirements to drive workforce needs and future ways of working.

The submission was therefore deemed unsuitable due to a lack of functionality in this area.

### **Outcomes of First Round Demonstrations**

Following the demonstrations and by further clarification questions provided to all tenderers, it was evident and acknowledged all three providers presented impassable challenges. It was agreed between ELMO and AlburyCity that their submission was non-compliant with the project requirements and key selection criteria, and therefore it would not be progressed for further assessment.

It was also identified that one of the remaining tenderers, TechOne would incur additional costs beyond what was submitted in their initial tender. Additional costs included un-forecasted integration and further connecting modules which were not identified prior to demonstrations, and TechOne's solution failed to meet all core specifications regarding linking systems back to Authority and Council's finance structure without further investment in their own modules.

The scoring was adjusted and updated by the panel (refer Table 2a) to reflect the new information available as a result of the demonstration/testing. Based on the updated assessment and due diligence undertaken to clarify product offers, a fully integrated, fit for purpose system able to meet AlburyCity's strategic objectives was beyond the original financial expectations of Council which then informed the panel recommendation to defer to the Executive for guidance on next steps.

As a result, Executive supported a further review of Tenders at the higher end of the forecast budget allocation of \$950K to be split across Yr1, \$450K and Yr2 \$500k for the 2021/22 and 2022/23 year to ensure the procurement outcomes fully met strategic business objectives and operational requirements.

Table 2 a (Demonstration – First Round)

Vendor	Past Performance	Methodology & Program	Capacity	Capability	Local Benefit	Qualitative Score
ELMO	11	7	23	14	2	57
Pinpoint HRM	10	7	21	26	1	65
TechnologyOne	9	4	21	22	1	58

**Demonstration and Testing Phases (Second Round)**

With Executive support, the panel was able to consider tenderers within a higher price bracket to ensure that the proposed procurement of the HRIS software would fully meet business requirements and support achievement of strategic objectives. As a result, the panel reassessed the quantitative data set to identify the next ranked tenderers to move through to the second demonstration phase.

The tenderers asked to move through to the second round of demonstrations were:

- Deloitte
- Evolutionary Systems Pty Ltd.

All second-round demonstrations were conducted with probity and followed the same format and process as the first round in line with Council's procurement policy and guidelines.

**Deloitte** – Like PinPoint, the product demonstration was of Oracle's HCM. It presented advanced ability to provide value and efficiency in supporting the delivery of strategic HR management and workforce objectives and would be delivered by Oracle HCM and partnered with Deloitte's Oracle Cloud Payroll solution. The HRIS modules were superior in that they support reporting and dashboard functionality for workforce data analytics, visibility and forecasting potential. This functionality would support current and future decision-making relating to workforce development and management, building capability, succession and talent management, and this aspect was assessed as highly beneficial and providing a clear return on investment with regards to time and efficiency savings.

The Oracle HCM solution demonstrated full compliance across all fit for purpose criterion. It was however identified through the demonstration that Deloitte's Oracle Cloud Payroll solution may not possess highly desirable functionality to accommodate labour expense costs relative to project and assets with our existing finance module, and this could not be confirmed by Deloitte until they had performed a 'deep dive' into our systems to ascertain compatibility. Deloitte's partial or non-compliance in this selection criterion was noted and represented in the adjusted scoring undertaken by the panel.

**Evolutionary Systems (EvoSys)** – The proposal also demonstrated Oracle HCM's advanced ability to provide value for money in relation to supporting the delivery of strategic HR management and workforce objectives. Like PinPoint and Deloitte's presentations, it was evident this would be delivered through superior HRIS modules that support reporting and dashboard functionality for workforce data analytics, visibility and forecasting potential, supporting current and future decision making relating to workforce development and management, building capability, succession and talent management which was seen as a clear return on investment.

Their proposal partnered Oracle HCM and Aurion Payroll solutions to demonstrate full compliance across all fit for purpose criterion and significant experience with integration and working together with Council's existing systems. Like PinPoint, EvoSys further demonstrated a strong partnership and working relationship with the Oracle and Aurion teams. EvoSys, as part of their solution scope, included Oracle Digital Assistant, which automates engagements with conversational interfaces that respond instantly, improve user satisfaction and increase business efficiencies to streamline routine tasks independently. This additional feature would afford Our People with convenient and timely help solutions that will be essential to AlburyCity's change management and building of digital literacy. EvoSys product solution and demonstrations with their vast capabilities displayed longevity and sustainability in meeting our current and longer-term HR strategic objectives.

### Outcomes of Second Round Demonstrations

The scoring was adjusted and updated by the panel to reflect the new information available as a result of the second round of demonstrations and testing for Deloitte and EvoSys.

Table 2 b (Demonstration – Second Round)

Vendor	Past Performance	Methodology & Program	Capacity	Capability	Local Benefit	Qualitative Score
Deloitte	11	7	23	26	1	62
Evolutionary Systems Pty Ltd	11	8	23	26	2	64

### Combined Overall Assessment Summary

The combined overall assessment as a result of all clarifications, demonstrations and testing, provides the following outcomes:

Table 3a (Combined summary of progressed feasible solutions)

Vendor	Past Performance	Methodology & Program	Capacity	Capability	Local Benefit	Qualitative Score
Deloitte	11	7	23	26	1	68
Evolutionary Systems Pty Ltd	11	8	23	26	2	69
Pinpoint HRM	10	7	21	26	1	65
TechnologyOne	9	4	21	22	1	58

From the solutions demonstrated, the proposal from EvoSys above presents most advantageous and provides greater qualitative outcomes.

## Final Analysis

The final scoring for the qualitative and quantitative assessment is summarised in the following table:

Table 3b (Final Scores)

Vendor	Tendered Costs	Qualitative Score	Quantitative Score
Deloitte	\$1,346,070	68	18
Evolutionary Systems Pty Ltd	\$948,307	69	26
Pinpoint HRM	\$922,252	65	22
TechnologyOne	\$368,294	58	45

As indicated above, the result shows TechOne as the most price advantageous tender demonstrated by their quantitative score. Their qualitative position however reflects the determination of the panel members that their proposed solution will not successfully meet the long-term strategic objectives of the organisation or drive workforce efficiencies and does not demonstrate value for money given the additional investment and integration issues identified.

Deloitte is ranking the lowest in quantitative scoring attributed to their high tendered price beyond the budget range, and consideration given to their Oracle Cloud Payroll solution which may not possess functionality to accommodate the collection of project and asset-based costings without additional and unknown costs.

EvoSystems and PinPoint are scored as comparable tenderers demonstrating almost identical product offerings and similar value for money propositions across both qualitative and quantitative assessments, addressing Council's project objectives very well with a small difference in the qualitative score only differentiated between the two providers by some key consideration points.

Both tenderers offer identical HCM (Oracle) and payroll (Aurion) products with limited to no difference in the provision of these systems. Each company acts as the Integrator for their software partners who specialise in the delivery of Human Capital Management and Payroll Systems. The Oracle HCM solution has a growing presence amongst Local Governments (Councils like Camden, Northern Beaches, Central Coast, Ipswich and City of Yarra Wyndham) to meet diverse workforce needs, reporting, and strategic workforce planning, and have been awarded by Gartner as the leading Human Capital Solution in the market over the last four years. Aurion also has strong presence, citing it pays over 2.5% of the Australian workforce and has proven experience in integrations and working together with councils' existing finance and management systems.

Oracle and Aurion are leaders in their respective fields with both PinPoint and Evosys capitalising on this speciality, providing the opportunity to bring their partners together to create a holistic systems approach to delivery of a HRIS.

Evosys are an Oracle Platinum partner entirely focused on Implementing Oracle Cloud applications and have Local Government experience with the full HCM and Payroll suite and within an international

setting. Pinpoint are recognised as an Oracle Gold implementation partner and focus particularly on organisations with less than 2000 employees.

Whilst Pinpoint has vast experience (they provided two examples of local government implementation, with one example of combined Oracle and Aurion products being implemented in a similar transformation project) their explanation leveraged largely on Oracle and Aurion local government experience, not specifically their own. In comparison, Evosys have over 900 customers and over 40 local government organisations globally and have clear past performance in council digital transformations of workforce management systems.

Both providers demonstrated acceptable and sound project methodology, capability and capacity to deliver a solution of this scale and complexity. Each provider has also indicated their focus on research and development through continuous improvement to ensure their product is constantly being evaluated, upgraded and monitored for cutting edge product delivery.

Articulation of the implementation schedule and flexibility of project implementation style was however much clearer and transparent with Evosys, supported by their past performance and referee feedback. Their referees reported strong dedicated customer service and relationship commitment, crucial aspects to support AlburyCity in a digital transformation project like this.

The Panel's focus was turned to determining the point of difference in their integration approach and customer service model to support AlburyCity. With Evosys receiving numerous customer satisfaction awards, the tenderer also demonstrated their ability and experience in integrating with diverse systems through several methods that would meet the information management needs of our organisation. Through our integration platform, which links our business systems together, it will ensure the authoritative data within the HRIS is replicated and/or shared and easily updated with employee changes with other systems where workforce data as required and reliant (e.g., Finance, Procurement, IT, Fleet, Work Health and Safety to inform workflows and implement delegations).

EvoSys, as part of their tendered solution, included Oracle Digital Assistant, (this was not included by PinPoint) which automates user engagements with conversational interfaces that respond instantly with pre-determined responses, proven to improve user satisfaction and experience and increases business efficiencies to streamline routine tasks independently of HR Team members. This automated assistant can build internal capabilities by allowing our people to self-serve and learn as they use and interact with the HRIS.

Based on the above findings, the panel determined that Evolutionary Systems Pty Ltd (EvoSys) is the recommended tenderer to deliver a fit for purpose HRIS to Council and demonstrates best value for money.

### **Cost Savings and Return on Investment**

To provide further context and to support the investment in a fit for purpose HRIS, the following are examples where costs can be reduced and/or value added to processes to support AlburyCity's workforce capability and longer-term workforce management strategy for up to ten years.

1. The current Payroll function requires three full time equivalent staff (3FTE) who are required to manually input data and quality check payroll requests for payment as well as review and interpret Awards. Time efficiencies and value will be achieved through dedicating and focusing efforts on providing more tailored service on complex or specialised issues as automation of routine manual processing will expediate and streamline workloads. Once fully implemented, an automated solution will allow 3FTE to reduce to 2FTE with a saving of approx. \$60,000 per year.
2. Through new and digital functionality, the current manual processes for completing timesheets will be reduced, saving 40 minutes per week for each leading hand to process outdoor employees, equating to approx. \$32,000 per year. Moving the organisation to online timesheets will reduce the time required to document, create, verify, approve and execute the payment process.
3. Accuracy, quality control and efficiency rates will increase due to software smarts reducing administration intervention and interpretation, including pre-loaded and updated Modern Awards, detailing rates of pay and working conditions, where subject matter expertise and know-how moves from leaders and individuals to the system integrated smarts.
4. Anticipated reduction in staff turnover rate, currently sitting at 11.45% as at 31 January 2022. A fully integrated HRIS can influence and reduce turnover based on key outcomes achieved through improved data analytics, employee engagement, functionality to support People and Culture's strategy development to identify how to attract, retain and keep our people motivated, engaged and focused on their role at AlburyCity and delivering outcomes for the community. The opportunity to reduce the turnover rate to a target of 7% can be achieved through HRIS functionality providing improved talent management, succession and data/analytics. This will result in direct and indirect savings to AlburyCity estimated at approximately \$25K per position turnover.
5. Time and efficiency savings when conducting recruitment activities through the reduction of manual handling of applicant documentation, candidate engagement and data sharing. This will also improve the candidates' experience and introduction to AlburyCity by automating and reducing the time taken by Council to onboard and induct new team members.
6. Improved contemporary processes and modern technology to manage our organisational structure, managing workflows, in that one HRIS update will flow on to update all other integrated systems, will reduce our cybersecurity risk, financial risks and improve compliance and governance. It has been conservatively estimated at delivering productivity savings to the organisation of up to \$10,000 a week or \$520,000 a year\*\*. These resources can be redirected to service delivery to maximise business efficiency and effectiveness.

\*\* The above is calculated based on 500 employees spending on average 15 minutes a day whilst earning the mean wage within Council. The savings can easily be achieved through improved trust in systems, accuracy of workflows going to the correct individuals (e.g., leave requests, travel expenses, credit card and expense approvals, reduced cyber security through prompt closure of accounts, reduced financial risk through directing and managing to correct delegations and to currently avoid five teams internally maintaining separate copies of the organisation chart due to lack of system integration functionality).

## Risks

- **Business Risk** – As highlighted in other sections of this report, the implementation of this project reduces business risk and significantly improves Council's internal operations around workforce and human capital management. There is a degree of business risk, however, associated with signing onto Terms and Conditions provided by the preferred tenderer which will require negotiation and further review given the technical and proprietary nature of this procurement and that Council's standard contract templates would not suffice for this project. (Council's templates are better suited for construction project type activity and not appropriate for the procurement of specialised software programs). This risk can be further mitigated through Council authorising the CEO to enter negotiations and by internal procurement and external legal review of final terms and conditions of contract.
- **Corporate Risk** – In July 2021, Council received and noted AlburyCity's Business Excellence Strategy, 2021-2022. The objectives set out in this and other related corporate strategies will not be achieved without investment in a HRIS that fully meets business requirements, and Council will continue to experience inefficiencies, delays, process frustrations and costly manual processing across all HR and Payroll functions. The financial savings outlined above can be returned to Council and better utilised in delivering community services, projects and strategic outcomes. The HRIS implementation will improve Council's image and reputation as it will improve Our People's experiences and satisfaction levels, automate routine tasks and drive organisational culture and business improvements to attract, retain and motivate new and existing staff.
- **WHS and Public Risk** – Nil identified.
- **Environmental Risk** – Nil identified.
- **Delivery Program Risk** – This project is a key enabling project to deliver Council's WFMS which has a four-year focus detailing how our human capital will be utilised to support and deliver the Four-Year Delivery Program adopted by Council. It is a legislative requirement under the Integrated Planning and Reporting Framework. Failure to deliver on the WFMS will mean Council is in breach of its obligations under legislation and will experience resulting impacts to the Delivery Program by not having the right labour resources when needed and deployed where required. The HRIS is crucial and pivotal to the delivery of other strategic HR Objectives and business improvement strategies across other parts of Council who are reliant on organisational hierarchy data sets (i.e., IT, Governance and Procurement) that will benefit our people.

## Engagement

The delivery and implementation of this project serves numerous key points of the AlburyCity Our Future 2031 Strategy, in particular, leadership and performance measurement against our Corporate Success Pillars. Engaged People, Good Governance, Service Excellence and Sustainable Finance are

all aspects which will enable AlburyCity to be a dynamic, can-do, innovative and collaborative organisation that empowers progress through serving with excellence and taking care of our place.

Through systems review and engagement with our people, this project has enabled a deep dive into understanding the needs of our current and future workforce and the requirements of a system to support delivery of identified People and Culture objectives and future ways of working. The project is seen as a key enabling project to deliver Council's WFMS that sets out how AlburyCity will support outcomes agreed to in Council's Delivery Program through a capable, skilled and motivated workforce to work towards Albury 2050 community targets.

## **Conclusion**

AlburyCity seeks to acquire a contemporary HRIS which will support the organisation to move through a digital transformation process to achieve its workforce strategic objectives including linking people management to business functions. AlburyCity views its people as assets to be invested in, empowered to maximise their personal and business value, which are core pillars of best practice Human Capital Management (HCM).

A Human Resource Information System will integrate all aspects of HCM and will drive end to end processes, manage the lifecycle phases from recruitment through to off-boarding, building programs and identifying gaps in required skills to develop Our People to meet the current and future workforce needs.

Council invited tender submissions for Contract 21/01950 – Supply and Implementation of a Human Resource Information System by advertising on Tenderlink and in the Sydney Morning Herald. At tender close, Council received nine submissions. A thorough assessment process was undertaken by the assessment panel with input from the RFT Evaluation Working Group, which included tender clarifications, two rounds of demonstrations and systems testing and verification of past experience through referee feedback.

All submissions received were assessed as conforming tenders but with proposed variations, largely due to proprietary software, hosting and commercial licencing arrangements tendered and the specialised contractual nature of IT procurements. Each submission offered minor differences and proposed alternatives to Council's standard terms and conditions.

An investment into a HRIS of this value and scale will require a comprehensive purpose written contract whereby Council must ensure its content includes all agreed scope of works and methodology and a detailed project plan which can only be defined once the project commences and the successful tenderer can understand AlburyCity's systems, policies and procedures. Council will require the ability to undertake further investigations and negotiations to finalise the contract and ensure that project objectives are met and fit for purpose outcomes are achieved. For these reasons and following procurement and legal review, Council will be required to negotiate, accept and sign a contract provided by the Tenderer.

The panel assessed each submission on its individual merits, business requirements and key selection criteria and shortlisted based upon qualitative and quantitative analysis.

Based on the outcomes of these detailed assessments, the panel agreed and determined that the HRIS solution tendered by Evolutionary Systems Pty Ltd (EvoSys) demonstrated to be most advantageous to Council based on its capabilities to deliver a contemporary, fit for purpose HRIS, achieve strategic objectives and demonstrate best value for money when considering quantitative and qualitative criterion.

**Recommendation**

That Council authorises the CEO, under Council's delegation of authority and Section 178, Clause 3 (e) of the Local Government (General) Regulation 2005, to execute the ability to enter into contract negotiations with Evolutionary Systems Pty Ltd for Contract No. 21/01950 – Supply and Implementation of a Human Resource Information System.