

Provincial Human Resource
Management Systems Partnership

Alliance Management Office Report

November 2009



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1. Initiative Overview

Context and Strategy

In November 2004, the Province of British Columbia (the Province) entered into its first Alternative Service Delivery (ASD) agreement with a private sector vendor. This agreement was to provide innovative Payroll and Human Resource information systems services to the public sector. The agreement between the Province, TELUS Communications Inc. and TELUS Sourcing Solutions Inc. (collectively "TELUS") is now entering its sixth year.

During the past year, a number of activities to improve services and provide direct benefits to our customers were initiated. These activities included providing employees' detailed pay cheque information online. This not only makes it easier and more convenient for employees to view their pay information, but also eliminates the need for most printed pay slips -- a cost savings measure that supports the Province's green goals. The Voluntary Reduced Work Week and an automatic sign off process for Time On Line (TOL) employee timecards were two other examples of key activities that benefited our customers through improved services.

1. Context and Background

This ASD agreement aligns with the payroll vision for the Province, which is to standardize and streamline payroll, leave management, leave, and time reporting and to enable employee self-service functionality. Implementation of the agreement has resulted in the successful provision of enhanced and standardized processes, as well as innovative Payroll and Human Resource information systems services for the core government and broader public sector, leading to a reduction of payroll costs for government.

2. Strategy

The high-level objectives of this ASD agreement are to:

- ensure stable and well-performing Human Resource/Payroll service delivery;
- expand the Provincial Human Resource Management Systems' (HRMS) license footprint;
- expand the human resource / payroll functions; and,
- understand and address the needs and directions of government and the broader public sector clients.

These objectives are met by providing innovative Payroll and Human Resource information systems services to clients across government and the broader public sector. There is a commitment to deliver accurate and responsive services that meet or exceed customers' needs and to realize a vision of high-level client satisfaction, improved service and reduced costs.

To accomplish the vision, the following key service commitments have been defined (Appendix B):

- Timely and accurate pay for all Province of British Columbia employees, including processing of adjustments to pay such as overtime;
- Prompt, responsive and accurate assistance to customers through the Contact Centre; and,
- Effective application management to ensure maximum availability of Payroll and Human Resource system applications.

Future upgrades and improvements to technology, along with continued system management, will assist the ongoing improvements in customer service and service performance while maintaining overall cost savings to the government.

2. Status Update

What's New:

Employee Pay Advices

Employees' detailed pay advice information is now available online, through Employee Self Service. Providing this information through Employee Self Service not only made it easier and more convenient for employees to view a detailed breakdown of their direct deposit pay information but also eliminated the need for most printed pay advices, a cost savings measure that also supports the Province's green goals.

Successful Canada Payroll Savings Plan Campaign

The annual Canada Payroll Savings Plan campaign was again successful with an employee participation rate of 22 per cent, realizing a total bond value of over \$16 million.

Voluntary Reduced Work Week Program

The idea of a reduced work week was a top-rated employee idea on Spark!, the website for the exploration of the ideas coming from the BC Public Service. While initially implemented to promote work/life balance, the program has also assisted in avoiding staff layoffs during challenging economic times. The Voluntary Reduced Work Week Program was implemented to allow employees to voluntarily elect for a reduced work week for the summer months (July and August 2009), with the advantage of employer-paid employee/employer pension plan contributions, with no impact to employee vacation or benefits.

Time On Line On-boarding

In November 2009, approximately 1,850 employees from the Ministries of Environment, Forests and Range, and Transportation and Infrastructure were successfully on-boarded to TOL.

Time On Line Automatic Timecard Sign Off

In an effort to assist in reducing the time and workload of Sign Off Authorities, TOL timecards for employees with no exception hours were configured to be automatically signed off. Sign Off Authorities are still required to sign off timecards that contain exception hours, or support part-time and hourly employees.

Time On Line Excluded Managers Timecards

TOL timecards for excluded managers were revised to more accurately reflect the flexible nature of manager work patterns; this was achieved by removing in and out times tracked by TOL.

Integrated Pension Administration System (IPAS) Improvements

Improvements to this interface resulted in the automation of data transferred from PeopleSoft to the Pension Corporation database, which enabled automatic enrolment, depending on specific qualifications, and the automatic production of tax letters, pension termination letters and reports.

Flexible Benefits Open Enrolment

In the second year of the Flexible Benefits Program, excluded employees were provided with the option of making changes to their flexible benefits choices online, through Employee Self Service. In October 2009, the Contact Centre services in support of this program were transitioned from the BC Public Service Agency to TELUS.

Labour Market Development Agreement (LMDA) On-boarding

In early 2009, LMDA staff were transferred into the provincial government from the federal government, and subsequently successfully on-boarded to both PeopleSoft and TOL.

Vacation Rehire Credit Project

In early 2009, the BC Public Service implemented this project to enhance the retention of public service employees and to promote the recruitment of former public service employees. Approximately 2,000 current employees were affected by this change. Effective January 1, 2009, a regular employee who had previously lost their vacation seniority because of voluntary termination (resignation or retirement) had their vacation seniority, attained prior to voluntary termination, recognized upon re-employment. Vacation seniority was also recognized for employees who had been laid off for more than one year, or had become an auxiliary employee and were subsequently re-employed as regular employees.

Challenges:

Due to the economic downturn, the 2009/10 annual customer satisfaction survey was not administered. Despite this challenge, but recognizing the importance of customer satisfaction, the HRMS, the BC Public Service Agency and TELUS have committed to move forward with activities/undertakings focused on improving/increasing customer satisfaction.

The planned benchmarking exercise, scheduled for the halfway mark in the 10-year contract, was also put on hold due to the economic climate. The intent of this exercise is to review/assess the contracted services, fees and service levels, and compare those to the services, fees and service levels of other organizations receiving similar services in similar quantities, validating the effectiveness and value of the deal. The results of this benchmark activity will provide valuable information to the Province and to TELUS, and guide activities through the remainder of the contract. Despite not completing the exercise this past fiscal year, the intention is to embark on the benchmarking exercise once the economic climate has improved. The Province continues to monitor the services, fees and service levels, ensuring value for money.

3. Contract Objectives

The ASD relationship as defined in the Master Services Agreement signed on November 9, 2004, includes a number of objectives summarized as follows:

1. To develop a long-term and mutually beneficial business relationship characterized by, among other things, mutual cooperation, good faith and flexibility to allow for growth, and modification of the scope of the services to leverage the BC Centre of Excellence;
2. To ensure full and open disclosure among the parties of relevant information, to the extent permitted by the policies of the Province, applicable laws and the Master Services Agreement;
3. To proactively identify and create the most cost-effective method for delivering services as balanced against service levels;
4. To provide certain services to the Province in a more flexible, sophisticated and efficient manner than previously experienced;
5. To enable the Province to substantially reduce future capital investment in resources by having TELUS be responsible for acquiring and maintaining the appropriate resources, assets and technology for the provision of the services;
6. To allow the Province to focus on its core objectives – these being stewardship and leadership for Human Resource and Payroll services in British Columbia – by having TELUS become the provider and manager of the services;

7. To leverage resources to which TELUS has access;
8. To protect the privacy and personal information of all individuals and organizations relating to the services, and to ensure that there are no circumstances pursuant to which any such information could be, or is, disclosed;
9. To proactively practice and promote ethical practices;
10. To be sensitive to and respect the cultural diversity of the individuals to whom TELUS provides services pursuant to the Master Services Agreement;
11. To transfer back services, upon the termination of the Master Services Agreement, to the Province or to another service provider in a manner that is efficient and ensures the continued and uninterrupted delivery of such services with minimal adverse impact on the business operations of the Province and its clients, customers and stakeholders;
12. To promote and facilitate self service of information whenever commercially reasonably possible; and
13. For TELUS to implement and provide continuous and total quality management and improvement to the services by using quality assurance practices, and monitoring satisfaction of the Province and its clients, customers and stakeholders.

Collectively, the Province and TELUS have successfully delivered results that demonstrate substantial progress toward the identified objectives (Appendix A). Efforts to support the business objectives will be ongoing over the duration of the Master Services Agreement.

4. Service Commitments

HRMS, together with TELUS, provides innovative Payroll and Human Resource information systems services to clients across government and the broader public sector. HRMS and TELUS are committed to delivering accurate and responsive services that meet or exceed customers' needs and realize a vision of high-level client satisfaction, improved service and reduced costs.

Appendix A – Contract Objectives: Reporting on Results

Objective 1 – To develop a long-term and mutually beneficial business relationship characterized by among other things, mutual cooperation, good faith and flexibility to allow for growth and modification of the scope of the services to leverage the BC Centre of Excellence.

| Activities (undertaken to achieve objective) | Results (Year-To-Date) |
|--|--|
| <p>Identify and participate in opportunities that support and strengthen the agreement.</p> | <ul style="list-style-type: none"> • Developed joint objectives and business plans to further goals. • Participated in monthly Payroll Client Committee meetings that provide support for customer payroll representatives. • Conducted a joint Province of B.C./TELUS facilitated strategy session in November 2008, resulting in the development of a proposed Province of B.C. three year strategic plan. • Conducted a Payroll Super User Focus Group in July 2009 to identify opportunities and implement improvements to PeopleSoft payroll processes such as: increased communications of available training courses via the HRMS office; updated report generation training materials; Contact Centre enquiry response improvements; and, the addition of a more printer friendly pay statement functionality through Employee Self Service. |
| <p>Capitalize on existing events and forums to market services to new clients and expand services to existing clients.</p> | <ul style="list-style-type: none"> • Engaged clients in TOL on-boarding through detailed discovery sessions. • Engaged clients in planning activities to implement new services. • Responded to enquiries and provided information to potential new clients. |

Objective 2 – Full and open disclosure among the parties of relevant information, to the extent permitted by the policies of the Province, applicable laws and the Master Services Agreement.

| Activities (undertaken to achieve objective) | Results (Year-To-Date) |
|---|--|
| Implementation of customer reporting tools. | <ul style="list-style-type: none"> • Delivery of client quarterly reports. These reports provide clients with appropriate service level objective information. Reporting periods reflect the Province’s reporting timeline and are as follows: <ul style="list-style-type: none"> ○ April 1st – June 30th ○ July 1st – September 30th ○ October 1st – December 31st ○ January 1st - March 31st |
| Support the Alternative Service Delivery Secretariat Transparency Policy. | <ul style="list-style-type: none"> • Delivery of contract information including: <ul style="list-style-type: none"> ○ Joint Solutions Request for Proposal ○ Performance report November 2005 ○ Performance report November 2006 ○ Performance report November 2007 ○ Performance report November 2008 ○ Press release ○ Summary report Posted to a public website: www.lcs.gov.bc.ca/asd/alliance/summaries.asp |
| Conduct annual review of payroll services. | <ul style="list-style-type: none"> • Annual Section 5970 audit of business processes, systems, service levels and privacy controls completed. |

Objective 3 – For the parties to endeavour to create the most cost-effective method for delivering the services as balanced against improved service levels.

| Activities (undertaken to achieve objective) | Results (Year-To-Date) |
|--|---|
| Reduced manual effort and improved efficiencies through the application of technology. | <ul style="list-style-type: none"> • Continued utilization of an internal incident tracking tool that allows better management, tracking and reporting on incidents moving forward. • Implementation of Quality Centre tool to support Service Request management |

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| | <p>and delivery.</p> <ul style="list-style-type: none"> • Availability of electronic Pay Advice enabling employees' online access to their pay and benefit information. • Online open enrolment for excluded employees wishing to engage in or change Flexible Benefits. |
| Encouraged clients to utilize the functionality provided by the leave management system to realize cost savings and maximize system benefits. | <ul style="list-style-type: none"> • Initial stages of on-boarding government ministries not currently utilizing the TOL payroll data collection system, helping them to understand the requirements and to identify opportunities and cost benefits for moving forward with implementation. |
| Worked with clients to streamline and improve business processes and reporting. | <ul style="list-style-type: none"> • Worked with individual ministries to better understand their business demands related to payroll, and to streamline and align their internal payroll processes. • Engaged in monthly Payroll Client Committee meetings, which provide support for ministry and broader public sector clients' payroll representatives. |

Objective 4 – To provide certain services to the Province in a more flexible, sophisticated and efficient manner than the Province has been able to previously provide.

| Activities (undertaken to achieve objective) | Results (Year-To-Date) |
|---|--|
| Supported the delivery of the BC Public Service Agency's human resource strategy. | <ul style="list-style-type: none"> • Continued enhancement and addition of information to the employee portal <i>@Your Service</i>. This site provides services and information to government employees. • Implemented the Vacation Rehire Credit Program to promote the recruitment of former public service employees. • Implemented the Voluntary Reduced Work Week, providing employees the option of reducing their hours of work during the summer. |
| Implemented new technology and | <ul style="list-style-type: none"> • Implemented the new TOL servers to |

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| enhanced existing technology to provide customers with better service. | <p>improve stability and performance of the TOL application.</p> <ul style="list-style-type: none"> • Undertook system enhancements to improve the functionality and performance of the integrated case management application for the Disability Management Program. • Established a new technical environment to provide better stability to support the Province's performance management cycle. |
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Objective 5 – To enable the Province to substantially reduce future capital investment in resources by having TELUS be responsible for acquiring and maintaining the appropriate resources, assets and technology for the provision of the services.

| Activities (undertaken to achieve objective) | Results (Year-To-Date) |
|---|---|
| Upgrade and maintain business applications to support the delivery of Payroll and Human Resource information functions. | <ul style="list-style-type: none"> • Upgraded the core technology infrastructure to improve reliability and performance. |

Objective 6 – To allow the Province to focus on its core objectives – these being stewardship and leadership for Human Resource and Payroll services in British Columbia – by having TELUS become the provider and manager of these services.

| Activities (undertaken to achieve objective) | Results (Year-To-Date) |
|---|--|
| Worked with the BC Public Service Agency to provide technical leadership and business expertise to identify solutions that will support the business direction. | <ul style="list-style-type: none"> • Participated in a joint Province/TELUS facilitated strategy session in November 2008, resulting in the development of a proposed Province of B.C. three year strategic plan. |

Objective 7 – To leverage resources TELUS has access to.

| Activities (undertaken to achieve objective) | Results (Year-To-Date) |
|---|--|
| <p>Applied best practices and access corporate programs to develop employee skills and improve performance.</p> | <ul style="list-style-type: none"> • Realized a performance improvement in accuracy and timeliness by leveraging the TELUS National Services Delivery Model and alignment with industry best practices. • Improved customer training programs and staff scheduling through leveraging the National Model for call categorization and enhanced incident tracking. <ul style="list-style-type: none"> ○ Incident tracking was enhanced through a review and realignment of incident categories resulting in more meaningful results that allow for a top three incident analysis for action. ○ New “Aged Ticket Reports” are analyzed for action. |
| <p>Utilized TELUS expertise to support and enhance services.</p> | <ul style="list-style-type: none"> • Enhanced support, maintenance and new functionality development for PeopleSoft and TOL applications by leveraging additional specialized resources through the National Model. • TELUS Implementation of system management processes (Incident Management and Problem Management) with enhanced visibility and reporting to the Province. • Established quarterly joint Province / TELUS client site visits with the TELUS. National Practice Leads, which oversee services delivery in the Payroll, Service Delivery Operations (Application Management Services) and Client Services program areas. |

Objective 8 – To protect the privacy and personal information of all individuals and organizations relating to the services, and to ensure that there are no circumstances pursuant to which any such information could be, or is, disclosed.

| Activities (undertaken to achieve objective) | Results (Year-To-Date) |
|--|---|
| Implemented changes to existing systems and processes to improve employee privacy. | <ul style="list-style-type: none"> Continued monitoring of existing systems and processes, with no significant changes required. |
| Provided training to all TELUS employees to ensure understanding of privacy and personal information policies, practices and procedures. | <ul style="list-style-type: none"> Ensured that all TELUS employees participated in annual mandatory training sessions and have signed related Confidentiality Covenants. Monitored employee ePrivacy course completion through eLearning and followed up with each employee to confirm completion. |
| Regular internal security audit undertaken by TELUS. | <ul style="list-style-type: none"> Completed Section 5970 audit to review and test operational controls and security. |

Objective 9 – To proactively practice and promote ethical practices.

| Activities (undertaken to achieve objective) | Results (Year-To-Date) |
|---|---|
| TELUS’ ethics standards have been developed and shared with all team members. | <ul style="list-style-type: none"> Ensured that all TELUS employees have completed the annual ethics course. Promoted and demonstrated ethical standards and practices at all levels of the organization. |

Objective 10 – To be sensitive to, and respect the cultural diversity of, the individuals to whom TELUS provides services pursuant to the Master Services Agreement.

| Activities (undertaken to achieve objective) | Results (Year-To-Date) |
|---|--|
| Engaged in training and activities that increase understanding of cultural diversity. | <ul style="list-style-type: none"> Participation in, and completion of, an annual Respect in the Workplace course by all TELUS employees. Support and administration of the TELUS National Employee Council. |

Objective 11 – On the termination of the Master Services Agreement, transfer services back to the Province or another service provider in a manner that is efficient and ensures the continued and uninterrupted delivery of such services with minimal adverse impact on the business operations of the Province and its clients, customers and stakeholders.

| Activities (undertaken to achieve objective) | Results (Year-To-Date) |
|--|--|
| Implemented standards and practices consistent with those of the Province. | <ul style="list-style-type: none"> • Maintenance of current systems and process documentation. • Delivery of extensive service level reporting on a monthly basis. |

Objective 12 – Promote and facilitate self-service of information whenever commercially reasonably possible.

| Activities (undertaken to achieve objective) | Results (Year-To-Date) |
|---|---|
| Continued to use Employee Self Service to provide Province of B.C. employees with access to information and services. | <ul style="list-style-type: none"> • Added Voluntary Work Week registration to <i>@Your Service</i>. |

Objective 13 – Use quality assurance practices, monitor satisfaction and improve the services.

| Activities (undertaken to achieve objective) | Results (Year-To-Date) |
|--|---|
| Continued to use information provided through established reporting and feedback channels to adjust and improve service. | <ul style="list-style-type: none"> • Monitored delivery of service through monthly service level reports. • Solicited informal feedback at meetings and other client forums to gain insight to individual satisfaction with services. • Established an internal TELUS escalation process to deal with customer dissatisfaction issues, and realigned business processes, as appropriate, to improve service delivery. • Analyzed annual customer survey results (2008/09) and developed and executed continuous improvements for Payroll Services, Client Services and Application Management Services. |

Appendix B – Service Commitments: Reporting on Results

Service Commitment 1 - Timely and accurate pay for all Province of B.C. employees, including processing of adjustments to pay such as overtime.

| Service Standard | Description | Results |
|---|--|--|
| All employees are paid accurately and on-time for each bi-weekly payroll. | <p>Employees are paid on a bi-weekly basis with 26 pay periods over the calendar year.</p> <p>In addition to the base pay, employees may have additions to or deductions from their pay including but not exclusive to overtime, substitution pay, or leave under Short Term Illness and Injury.</p> | <ul style="list-style-type: none"> • Employees are paid accurately and on-time every pay period. • Delivered improvements to quality assurance through automated checks incorporated in the Electronic Data Action process and eLeave. |

Service Commitment 2 - Prompt, responsive and accurate assistance to clients through the Contact Centre.

| Service Standard | Description | Results |
|---|---|---|
| <p>Clients receiving service through the Contact Centre can expect:</p> <ul style="list-style-type: none"> • Prompt and courteous service; • Knowledgeable staff with the experience to resolve 80% of all client calls at the Tier 1 level, 85% of the time; and • Less than 8% of calls abandoned. | <p>The Contact Centre for Pay and Human Resource Systems is the first point of contact for clients. Questions regarding pay, leave, benefits and job data are directed to the Contact Centre.</p> <p>The Contact Centre is responsible for providing first-line problem resolution to all clients by isolating, analyzing and resolving systems-related difficulties.</p> | <ul style="list-style-type: none"> • Resolved 97.7% of inquiries at Tier 1 in the Contact Centre, well above target of 80% for call resolution, 85% of the time, and industry standards. • Delivered 3.7% client call abandonment rate, well below target for this measure (<8%). • Improved timeliness of inquiry resolution through weekly analysis of outstanding inquiries for Payroll Processing and Payroll Accounting. • Completed cross training |

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| | | <p>programs, including eLearning, to ensure that the staff knowledge base is maintained, and that the daily assigned Client Service Advisors are equipped to resolve customer issues.</p> <ul style="list-style-type: none"> • Implemented efforts to improve the Quality Assurance program through the Team Mentorship and Case Notes Quality Scoring Programs. • Completed one on one regular monthly coaching. • Provided regularly scheduled review and refresher training by the Contact Centre Case Managers for the Client Service Advisors. • Assisted in the documentation, communication, support and launch of Flexible Benefits' Call Centre transfer from the BCPSA to TELUS. |
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Service Commitment 3 - Effective application management to ensure maximum availability of Payroll and Human Resource system applications.

| Service Standard | Description | Results |
|--|--|---|
| Software availability for gold applications including Corporate Human Resource Information and Payroll System for British Columbia, Corporate Human Resource | TELUS and the HRMS Partnership branch maintain a number of payroll and human resource software applications. These | <ul style="list-style-type: none"> • Exceeded monthly availability service standards for Corporate Human Resource Information and Payroll System for |

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| <p>Information and Payroll System Reporting Database, and TOL, must be maintained at a minimum of 98%.</p> | <p>applications must be available to clients in order to enter leave, process pay and conduct their business.</p> <p>Gold applications:</p> <ul style="list-style-type: none"> • Employee Self Service • Corporate Human Resource Information and Payroll System for British Columbia • Corporate Human Resource Information and Payroll System Reporting Database • TOL | <p>British Columbia, Corporate Human Resource Information and Payroll System Reporting Database and TOL (99.7%).</p> |
|--|---|--|