



THE CORPORATION OF THE
TOWNSHIP OF MUSKOKA LAKES

REQUEST FOR PROPOSALS (RFP)

FOR

Payroll Management and Software Solutions

RFP # P-2025-43

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1.0 Introduction

1.1 Invitation

This RFP invites prospective Proponents to submit proposals for the provision and support of payroll management and software solutions, including optional Time and Attendance and Human Resources Information System (HRIS) modules, as further described in Section 2.0 - Requirements, Deliverables, and Scope of Work.

Details about the municipality, staffing make-up, current systems and needs are described in Appendix A.

1.2 Submission Instructions and Contact

Submissions shall be made by email to the contact below and not through any other method.

For the purposes of this procurement process, the “RFP Contact” will be:

Sarah Lehman
Human Resources Manager
slehman@muskokalakes.ca

Proponents should only contact the RFP Contact where specifically instructed to in this RFP. All other communication in relation to this RFP, up to and including the submission of the proposal, must be through the bidding system, as described above.

Proponents and their representatives are not permitted to contact any employees, officers, agents, elected or appointed officials, or other representatives of the Township, other than the RFP Contact, concerning matters regarding this RFP. Failure to adhere to this rule may result in the disqualification of the Proponent and the rejection of the Proponent’s proposal.

1.3 Procurement bylaw

The Procurement By-law applies to this RFP. All irregularities and non-compliance issues in any Proposal will be handled by the Township as described in the Township’s Procurement By-law. The Procurement By-Law is available on the Township of Muskoka Lakes website: www.muskokalakes.ca.

[Policy CFS-20 Procurement](#)

2.0 Requirements, Deliverables and Scope of Work

2.1 RFP Particulars

The Township recognizes that modernization, process improvements, and the removal of overlapping system use can be achieved through software solutions that also provide

payroll processing and reporting. As such, additional consideration will be given to the optional modules: Time and Attendance, Recruitment & Applicant Management, Learning Management, and Intranet, as summarized in Table 1 below.

Table 1: Summary of Mandatory and Optional System Requirements

Module	Requirement
Payroll Processing & Reporting	Mandatory
Time and Attendance	Optional
Recruitment & Applicant Management	Optional
Learning Management System	Optional
Intranet	Optional

2.1.1 Payroll Processing & Reporting Module – Mandatory

The primary purpose of the Request for Proposal is to consider a payroll processing and reporting solution. This system could be fully managed (i.e. outsourced payroll) or supported. Specifics are below with additional optional or preferred elements specific to the payroll module.

- A comprehensive outsourced or supported payroll processing system,
 - including reporting, remittances and year-end processes
 - including bank payment, creation and delivery of electronic pay statements, ROE's, T4's, etc.
- House critical payroll information such as employee personal information, banking and tax information with adequate security standards (as described in section 2.2 Technical Requirements)
- Generate, identify and track employees by unique employee numbers
- Support the creation of multiple organizational units including divisions and department codes
- Ability to record various earnings and deductions pay codes
- Ability to create distinct payroll groups for processing on different schedules (Municipal biweekly, Council/Committee, Fire)
- Ability to apply multiple employee group rules for pay codes (i.e. standby, call-in, shift premium, etc.)
- Ability to classify and run reports on employees using different criteria (e.g. employment type/status, union affiliation, etc.)
- Integrated or direct entry of timesheet and time off data
- OMERS pension calculations and adjustments.
- Benefits calculations, reporting, reconciliation and payment preparation.
- Tax and statutory remittance reporting and payment preparation (Tax, WSIB, EHT).
- Ability to automate calculations such as statutory holidays
- Ability to process retroactive or other prior period adjustments.
- Maintain payroll records in compliance with legislation, maintain an audit trail of changes and maintain seven (7) years of historical data.
- Customer service approach for employees, including an explanation of error remedies (i.e. run a second pay, threshold)

2.1.1.1 Additional Preferred Payroll Processing & Reporting Elements

- Interface with the existing financial system/general ledger (iCity)
- Maintain employees within the payroll system including setting up new employees, processing terminations, adjusting for increases, changing department codes.
- Prepare and remit OMERS pension adjustments.
- Automated annual calculation of paid bank entitlements based on policy
- Self-service for employees and managers, such as the ability to view paystubs, view vacation, sick, lieu balances and update personal information.
- Ability to integrate/interface with the operational time coding software currently in use at the Township (CityWorks, FirePro – as described in Appendix A and 2.2 Technical Requirements)
- Ability to automate salary adjustment approval process
- Ability to track historical data by employee and position (position management, FTE data)
- Offboarding workflow including company property tracking
- Ongoing support for administrator

2.1.2 Time and Attendance Module - Optional

The Township recognizes that process efficiency can be achieved with a corporate time and attendance solution that directly inputs into the payroll processing system.

- Electronic timesheet submission with approval automated to the supervisor
- Time off requests and banked time booking available to employees with approval automated to the supervisor
- Ability to record time off under more than one pay code in a day (i.e. 1 hour sick, 1 hour vacation)
- Ability to charge time to multiple cost centres in a day

2.1.2.1 Additional Preferred Time and Attendance Elements

- Interface with the existing operational software (FirePro, CityWorks) for activity coding
- Link to Outlook calendars for time off summaries
- System tracking and notification of when the maximum number of overtime hours is reached per employee
- Secondary approver available for backup and/or oversight
- Employee technical support
- Employee access through a cell phone application

2.1.3 Recruitment & Applicant Management (Applicant Tracking System) Module - Optional

The Township currently has a Recruitment & Applicant Management module, housed within the existing time and attendance software. Ensuring this module

is linked to the employee data (i.e., payroll module) is critical for efficiency, which is why a change is being considered.

- Postings linked to the corporate website, with the option to automatically post on other external sources
- Collect resumes and applications with a customer service approach (i.e. ease of application), and resume upload option.
- Ability for HR and hiring managers to clearly review, sort and screen applicants and move them through recruitment stages (i.e. grouping).
- Allow flow-through of applicant data to the employee/payroll module upon hire
- On-boarding workflow

2.1.3.1 Additional Preferred Recruitment and Applicant Management Elements

- Ability to communicate both ways from the system with the applicant throughout the recruitment process (i.e. setting up interviews and conducting references).
- Interview booking connected to Outlook calendars and the applicant.
- Create offer letters and new hire information to be completed and tracked online, which transitions to the employee/payroll module.
- Ability for employees to apply to internal postings
- Applicant technical support
- Ability to initiate a workflow (i.e. new hire notifications to mileage form completion, electronic employee signature, routed to supervisor, then finance).

2.1.4 Learning Management System (LMS) Module - Optional

The Township currently has a Learning Management System that is not linked to employee online files, and there is an opportunity to improve the efficiency of training assignments and tracking.

- Deliver e-learning education courses, including internally developed and externally uploaded training programs for employees
- Tracking and reporting for HR and managers.
- Allow training matrices for job families and assign training automatically, i.e. generate and track new employee orientations.
- Provisions for tracking and registering for live/in-person training.
- Automatic notifications and reminders to employee and supervisor
- Supervisor dashboard to view and assign training.
- Simple and reliable employee access, including training transcripts and certificates.

2.1.5 Intranet Module

The Township currently uses a website as its intranet, and there is recognition that a single software tool for all employee documents and information would be more accessible to employees.

- A corporate tool for sharing policies, forms, and easy-to-find regularly used internal documents.
- Simple and reliable employee (internal) access
- Confidential employee-only access for all employees

2.2 Technical and Security requirements

- Data centre in Canada
- Automated audit trail for transparency of user actions
- IT Security requirements

2.3 Implementation requirements

- A complete data transfer of existing employee personal information with limited to no data entry.

2.4 Project Management

- Project management to be led by the Proponent with milestones, timelines and regular communication.

2.5 Training

- Training to be provided for HR/Payroll processing, administrators, managers/supervisors and employees.
- Some onsite training to be made available
- Ongoing support during implementation with change management and catered communication or training with specific employee groups.

3.0 Evaluation, Negotiating and Award

3.1 Evaluation criteria

The Township will not necessarily accept the lowest price of any submission. Each response will be evaluated to determine the degree to which it responds to the requirements as set out in this RFP. It is the responsibility of the Proponents to provide sufficient information in their Proposal to exhibit the required abilities. Proponents are cautioned that organization of their response, as well as its thoroughness, is critical to the evaluation process.

A committee will evaluate the proposals. The criteria outlined below in Table 2 will be used as the basis to compare proposals. The committee retains the option to evaluate proposals based on other criteria or considerations that may emerge as the RFP and proposal process proceeds.

Table 2 – Evaluation Criteria

Evaluation Criteria	Weight
Stage 1 - Evaluation and Qualifications of Firm	20%
Stage 2 - Project Understanding, Approach and Methodology	35%
Stage 3 - Presentation/Demonstration	20%
Stage 4 - Evaluation of Pricing	25%
	100%

3.1.1 Stage 1 – Experience and Qualifications of Firm

- A company profile describing the relevant experience of the Proponent firm on projects of comparable complexity. Information on the number of years in business and the general qualifications of the company.
- At least three (3) project examples of completed projects of similar size and scope carried out within the last seven (7) years by the Proponent and, in particular, by the staff who will be working on this project.
- Provide the names, roles, qualifications, designations/certifications, and relevant experience of the staff to be assigned to the project.
- A list of references, minimum 3, preferably municipal and/or related to similar, recent projects listed above.

3.1.2 Stage 2 - Project Understanding, Approach and Methodology

- Ability to provide product features for payroll processing and reporting as described in Section 2.
- Ability to provide product features for time and attendance, recruitment and applicant management, learning management and intranet.
- Ability for financial integration with existing systems.
- Ability to meet IT product requirements, including security needs as described in Section 2.2.
- Description of the training plan and mechanisms for delivery.
- Description of the project management provisions
- Description of the project schedule including project milestones with realistic timelines

3.1.3 Stage 3 - Presentation/Demonstration

- Proponents who have successfully met the requirements of Stages 1 and 2 may be asked to provide a presentation and demonstration of the product.

3.1.4 Stage 4 - Evaluation of Pricing

- Proponents are asked to complete Appendix B - Pricing Form to help provide consistency of a comparison across submissions. If there is additional information to include regarding pricing, it may be noted at the bottom of the form.

3.2 Award

The award of the contract will be subject to the approval of Council or the authorized delegate and, if applicable, the receipt of sufficient funding. The Township intends to award the contract to one (1) selected Proponent; however, Proponents are advised that the contract may be awarded to more than one (1) selected Proponent, based on the requirements.

3.3 Contract for deliverables

3.3.1 Type

The selected Proponent(s) will be requested to enter into direct contract negotiations to finalize the provision of the deliverables.

3.3.2 Term

In addition to the implementation of the software solution (if applicable), the term of the agreement for licensing and for maintenance and support is for a period of five (5) years, with an option in favour of the Township to extend the agreement on the same terms and conditions for an additional term of up to five (5) years. Maintenance and support will commence from the date of project acceptance as defined below. Licensing will commence upon execution of the agreement for licensing.

Each year is subject to ongoing budget approval.

3.4 Acceptance Testing

Any devices, software, services and other deliverables to be provided by the Proponent shall be subject to Acceptance Testing, during which their functionality, reliability, capacity, performance and compatibility with other Township systems will be tested and assessed by the Proponent and approved by the Township.

During the implementation period before the system becomes fully functional, if any Acceptance Test fails and the Township determines in its sole discretion that the Proponent is not capable of correcting the deficiencies within a period of time acceptable to the Township, the Township reserves the right to terminate the Contract, in whole or in part.

Where the Township has elected to terminate the Contract, the Proponent shall refund all amounts previously paid by the Township within a reasonable amount of time and shall remove the installed hardware and software at a time designated by the Town.

This option to cancel the Contract is in addition to any other remedies available to the Township. Acceptance by the Township shall not relieve the Proponent of its obligation to correct deficiencies in any devices or software detected after initial acceptance.

3.5 Insurance Requirements

The successful Proponent shall provide proof of liability insurance to insure against loss or damage resulting from bodily injury, death or damage to property, with a minimum coverage of five million dollars (\$5,000,000), with the Township of Muskoka Lakes added as an additional insured party, which will be requested on acceptance of the proposal.

3.6 RFP Deadline

Issue Date of RFP: December 19, 2025

RFP Closing Date and Time: January 23, 2026 2:00 pm

Appendix A – Township of Muskoka Lakes Summary Sheet

Introduction

The Township of Muskoka Lakes is a lower-tier municipality of the District of Muskoka, with the municipal office situated in Port Carling. The Township's jurisdiction encompasses approximately 780 square kilometres, and outside the municipal office, staff are located at 3 yards, 2 arenas, 2 libraries, and 10 fire stations.

The staffing complement of the HR department includes an HR Manager, an HR Generalist and a Payroll Specialist.

Purpose

Over the last 3 years, attracting, retaining, and training for the in-house payroll specialization has been challenging. The Township is considering outsourcing full-cycle payroll processing or upgrading the processing software, while maintaining the skill in-house with support.

The purpose is twofold: to gain external payroll processing expertise and to modernize processes. Overall organizational process efficiency will be the ultimate determinant of success, and vendors with efficient solutions but who do not process payroll will be considered.

The Township recognizes that there is currently an overlap in systems and that there are further opportunities for efficiency and cost savings through new HR software and additional software modules, which will be described and considered as well.

Payroll Processing Details

The municipality processes three payrolls regularly:

- biweekly regular municipal and library employees, up to 115 employees
- monthly Council and Committee, up to 15 members
- quarterly Volunteer Firefighter pay, up to 140 members (typically closer to 100)

Payroll processing is currently being done in Vadim iCity, which is the municipal financial software. Excel spreadsheets support the review and reconciliation of time data and required payments following processing.

Key features and requirements of the biweekly group:

- The majority are full-time employees with a regular schedule
- Taxable benefits, for group benefits
- Taxable benefits, for personal use of the Township vehicle (unique per person)
- Vacation banks, and vacation pay in varying amounts (4%, 6%, etc.)
- Overtime entitlements, including both paid and banked
- Personal time banks set an annual amount and prorated entitlements
- Statutory holidays, some variation between union and non union group
- Part-time employees with irregular schedules
- OMERS pension – required for all full-time, optional for part-time/contract employees
- Unionized staff with union dues

- Union premiums for standby, call-in, night shift

The monthly group has:

- Salaried payment schedule
- Mileage reimbursement
- CPP exemptions

The quarterly group has:

- CRA Emergency Services Volunteer income exemption of \$1,000
<https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/payroll/payroll-deductions-contributions/special-situations/emergency-volunteers.html>
- No EI and CPP deductions
- Vacation on each pay in varying amounts (4%, 6%, etc.)

Timesheets, Time Data

The Township currently uses HRWize for non-union municipal timesheets. Employees are able to view their time off balances in HR Wize and request time off for managerial approval. The two separate weeks of time data including time off requests are reviewed, reconciled and uploaded into iCity.

The Operational Services employee group records time either on paper or directly into Cityworks, where each task is coded to a project. Each project has Labour, Equipment and Materials coded to it for budget preparation. The GL coded data is uploaded to iCity each pay for budgetary tracking purposes. The labour data is pulled from Cityworks, reviewed and reconciled by administrators and uploaded into iCity for payroll processing. Non-productive time (paid time off) is entered manually into iCity from paper requests.

The Council and Committee pay have attendance sheets reviewed and approved, and individual mileage adjustments made. There are limited adjustments or special coding requirements.

The Fire and Emergency Services Volunteer Firefighter group records time on paper, where labour is coded to a specific incident. Outside of incident response, Training and Maintenance hours are coded and recorded. The complete coded date (Incident, Training, Maintenance) is pulled from FirePro, reviewed and reconciled by administrators and uploaded into iCity for payroll processing. Annually, there are special honorarium payments.

Remittances

- Income tax
- WSIB
- EHT
- OMERS pension
- Group Benefits (including a retiree benefit)
- Garnishments
- OPSEU union dues

Appendix B – Pricing Form

Proponents must complete and submit Appendix B – Pricing Form.

The unit prices quoted in the Pricing Form are not subject to change, regardless of whether the final contract quantities exceed or are less than the estimated quantities shown in the Pricing Form.

The prices submitted must be in Canadian funds and shall exclude HST. All work performed under the contract will be subject to HST only.

Schedule of Pricing		
Description	Unit of Measure	Total Cost
Implementation Costs		
Software Licensing/Hosting – Initial Licence Fee (total and per module)		
Installation and Setup		
System Configuration		
Data Migration		
On site of virtual training support for initial set up		
Annual Maintenance and Support Costs		
Year 2		
Year 3		
Year 4		
Year 5		
Additional Pricing Information		
Provisional and Fees		
Additional Fees		
Discounts		