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**Subject:** Social Assistance and Employment Opportunities (SAEO) Contract Extension Approval

**Report to:** Public Health and Social Services Committee

**Report date:** Tuesday, October 10, 2023

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## Recommendations

1. That the current contract with 2045162 Ontario Limited o/a Clark Marketing Communications (Clark), for a sector specific technology solution, used to support the delivery of Social Assistance and additional benefits for low-income individuals and families in Niagara, **BE EXTENDED** under the same terms and conditions to December 31, 2026, for total estimated cost of \$605,137.80, including 13% HST; and
2. That the Regional Chair and Regional Clerk **BE AUTHORIZED** to execute the contract extension which would increase the awarded value of the contract to be over the \$1,000,000 (\$1,484,169.11) single source threshold and any required documents related hereto in a form satisfactory to the Director of Legal and Court Services.

## Key Facts

- The purpose of this report is to seek Council's approval to extend the current contract (which expires December 31, 2023) with 2045162 Ontario Limited o/a Clark Marketing Communications (Clark) for an additional three (3) year term from January 1, 2024, to December 31, 2026, in accordance with the current terms and conditions.
- The Ontario Works (OW) program is legislated by the Ministry of Children, Community and Social Services (MCCSS) and is administered locally by Niagara Region Community Services, through the division of Social Assistance Employment Opportunities (SAEO).
- The Provincial Social Assistance Management System (SAMS), used to deliver OW across the province, does not have the capacity to customize web applications to respond to local service delivery, system planning, integration and performance metrics needs.
- Clark applications are customized to respond to the local needs of each municipality, while ensuring critical elements are consistent across OW delivery agents and in alignment with provincial legislation.

- Clark applications are used by 10 municipalities, including Niagara, to support the delivery of OW.
- Niagara Region's Procurement Policy By-Law 02-2016 as amended February 28, 2019, specifically Section 18 (a) (iii) – Single Source Purchase, provides for the recommendation of a single source vendor when there is an absence of competition for technical reasons and the Goods and/or Services can only be supplied by a particular Supplier.
- In accordance with Schedule "B" (Purchasing and Execution Authority) of the Region's Procurement By-law 02-2016 as amended on February 28, 2019, Council is required to approve any single source contract award that exceeds \$1,000,000 in total value excluding 13% HST.

## **Financial Considerations**

Technology, maintenance, hosting and software service agreement fees are purchased within the allocated SAEO operating budget. The cost related to services purchased through Clark from January 10, 2017, to December 31, 2023, was \$889,031.31 from within the allocated operating SAEO budget. The three-year contract extension is \$605,137.80, totalling \$1,484,169.11 (total from 2017-2026) to be fully funded from the annual approved operating budget and not resulting in additional costs to the levy.

## **Analysis**

This report is being brought to committee in accordance with Schedule "B" (Purchasing and Execution Authority) of the Region's Procurement By-law 02-2016 as amended on February 28, 2019, whereby Council is required to approve any single source contract award that exceeds \$1,000,000 in total value excluding 13% HST.

In 2015 Council invested \$50,000 to develop new technology to support the delivery of social assistance linked to their Strategic Priority to Build a Labour Ready Workforce. Niagara Region issued an Expression of Interest (EOI) to seek out this new technology and was unsuccessful in receiving a submission that met all requirements. Through an Ontario Municipal Social Services Association forum, SAEO became aware of a municipality that had contracted with a vendor (Clark) to create a web application uniquely designed to complement the Provincial SAMs system to support the improved delivery of social assistance. The Clark application met the requirements of the EOI. In January 2017, SAEO entered into a single source contract with Clark in accordance with Procurement Policy By-Law, Section 18 (a) (iii) – Single Source Purchase, providing for the recommendation of a single source vendor when there is an absence

of competition for technical reasons and the Goods and/or Services can only be supplied by a particular Supplier.

- Since 2017, Clark has developed three integrated web applications, that are able to have a critical relationship to SAMS, that have become broadly accepted platforms across the province to support the delivery of social assistance:
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- **The Asset Management System** houses a database of local resources and supports that work together to help staff effectively manage their caseloads. The early application of this tool was instrumental in the work to help improve the connection of clients to supports and employment, with the ability to update content easily and track client connection to resources and use of specific supports.
- **Benefits Application Manager** allows social assistance and low-income clients to register online and monitor their application for essential benefits in a single, secure web portal. This application offers instant reports in a variety of areas, such as client registrations, eligibility decisions and staff workload management.
- **The Integrated Team Scheduler** provides collaboration across teams, offices and departments for the purpose of encouraging complete wrap-around services for clients. Metrics and report data are displayed and added to different business intelligence software tools.

SAEO utilizes all three applications to support case management, scheduling and the administration of Discretionary Benefits including Funerals, Housing Stability Benefits, Niagara Kids Benefit and Niagara Emergency Energy Fund (Jan. 2024).

One or more Clark applications are utilized by 10 other OW offices in Ontario including; The City of Hamilton, Cochrane District Social Services Administration Board, County of Lambton, District of Nipissing Social Services Administration Board, District of Parry Sound Social Services Administration Board, District of Sault Ste. Marie Social Services Administration Board, District of Thunder Bay Social Services Administration Board, Manitoulin-Sudbury District Services Administration Board, Prince Edward-Lennox & Addington Social Services, and Region of Waterloo. The OW offices collaborate with Clark to ensure applications are integrated and support system planning and performance metrics at a local and provincial level.

## **Alternatives Reviewed**

Alternatively, Council could direct SAEO staff, with the assistance of Procurement staff, to prepare an RFP to identify other purchasing options.

**Financial implications:** There is significant financial risk associated with moving the systems and data to a new vendor, should one be found, as SAEO would no longer have access to the original applications and proprietary logic Clark developed since 2017. It should be noted OW program delivery funding continues to be held at 2018 actuals, with no ability to access additional funding from MCCSS to purchase new applications.

**Service Delivery Implications:** The applications **currently used** have modernized and streamlined the delivery of social assistance in Niagara. Without access to the original applications and proprietary logic Clark developed, clients would not be able to continue to apply online for Discretionary Benefits including Funerals, Housing Stability Benefits and Niagara Kids Benefit.

**Staffing Implications:** Issuing an RFP for alternate purchasing options would require staff to develop a comprehensive workplan and complete a detailed process without a clear indication that there are alternate preferable options on the market. If a decision were made to move to a new vendor, this change management process would require dedicated staff time and have residual disruption implications. These additional activities would be a significant pressure on existing SAEO staff resources.

The efficiencies gained through the use of the applications have allowed SAEO to realign existing staff resources in order to maintain service levels to a steadily increasing caseload within frozen provincial funding. SAEO would require a significant amount of time to onboard and implement new applications into current business practice and train staff which would impact SAEO's ability to respond and meet the needs of Niagara residents.

## **Relationship to Council Strategic Priorities**

Aligns with Council Strategic Priorities 2023 – 2026.

**Effective Region:** Remain an employer of choice by transforming service delivery in a way that is innovative, collaborative and fiscally responsible. Implement continuous

improvement and modernized processes to ensure value-for-money with Regional services and programs.

### **Other Pertinent Reports**

None noted

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