



CITY OF HAMILTON
HEALTHY & SAFE COMMUNITIES
 Ontario Works

TO:	Chair and Members Emergency and Community Services Committee
COMMITTEE DATE:	November 5, 2020
SUBJECT/REPORT NO:	System Replacement for Discretionary Benefits for Ontario Works, Ontario Disability Support Program and Special Supports Low Income Program (HSC20039) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Erica Brimley (905) 546-2424 Ext. 4815 Terry Quinn (905) 546-2424 Ext. 3080
SUBMITTED BY:	Bonnie Elder Director, Ontario Works Division Healthy and Safe Communities Department
SIGNATURE:	

RECOMMENDATION

- (a) That the single source procurement, pursuant to Procurement Policy #11 – Non-competitive Procurements, with Clark Marketing Communications (Clark) for the replacement of the Discretionary Benefits systems used for Ontario Works (OW), Ontario Disability Support Program (ODSP) and Special Supports Low Income Program, be approved and funded as follows:
- i) That the estimated one-time cost of \$171,410 be funded from Tax Stabilization Reserve (110046) generated from the Ontario Works forecasted 2020 Net Levy savings;
 - ii) That the annual Discretionary Benefits System monthly maintenance cost estimate of \$49,000 annually, (\$29,400 Net Levy, \$19,600 Provincial funding), with the Net Levy portion to be funded from annual savings derived from permanent efficiencies within the Ontario Works Program to be included and approved by Council through the 2021 Budget process;

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

- (b) That Council approve opening a Capital Project Budget in 2020 for the Discretionary Benefit System estimated at \$171,410 as described in recommendation (a) of Report HSC20039; and,
- (c) That the General Manager, Healthy and Safe Communities Department be authorized to negotiate, enter into and execute a Contract and any ancillary documents required to give effect thereto with Clark Marketing Communications, in a form satisfactory to the City Solicitor.

EXECUTIVE SUMMARY

City of Hamilton Ontario Works (OW) and Information Technology (IT) staff have identified that the current Benefit Administration Management system (BAM) is at the end of life, not sustainable and at risk of failure.

A review of systems used by other municipalities has not identified any systems solutions that meet all of Hamilton's business needs, however a recently developed system in use by the Niagara Region's Social Assistance and Employment Opportunities division (Niagara) does provide some of the required functionality. Niagara's system does not meet the needs of the Low-Income Special Supports Program as this low-income program is not offered in Niagara. The Niagara system was developed and is maintained by Clark.

OW staff consulted with Procurement staff and were advised that a Policy #11 Non-Competitive Procurement was required to engage in discussions with Clark to get cost estimates for the enhancements required to the system used by Niagara. After engaging in discussions with Clark, OW staff are confident that this vendor is familiar with the needs of an Ontario Works Administrator and can build the required enhancements for the Low-Income Special Supports Program.

If the Recommendations in this Report are approved, the City of Hamilton Discretionary Benefits system would be implemented in phases:

- Phase 1: Adoption of the current functionality in use by Niagara;
- Phase 2: New functionality to meet business needs of the Low-Income Special Supports Program, Funerals Services, Affordable Transit Pass and Approval letters; and,
- Phase 3: Dental Benefits and Financial Tracking.

The target implementation date of all phases would be summer of 2021.

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Other divisions within the City have expressed an interest in the proposed discretionary benefits system. Recreation Division, Housing Services and Public Health all operate low-income programs and believe the proposed system will also benefit operation of their programs. Staff will meet with each division to discuss their business requirements and needs once Council approves the recommendations to Report HSC20039.

Alternatives for Consideration – See Page 6

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial:

The development cost for all three phases of the Discretionary Benefits system is estimated to be \$171,410. Table 1 identifies the 3 phases of the project which is anticipated to begin before December 31, 2020 with anticipated completion in 2021.

Report HSC20039 requests that the 2020 year end projected surplus be utilized to fund the Tax Stabilization reserve which in turn will fund the new Capital Project, “Discretionary Benefit System” in 2020.

Table 1

Project Development Costs	
Project Phases	TOTAL
Phase 1 - Adoption of the current functionality in use by Niagara;	\$32,410
Phase 2 - New functionality to meet business needs of the Special Supports Low Income and Seniors Program;	\$78,000
Phase 3 - Linking the enhanced Discretionary Benefits system to Hamilton’s Peoplesoft financial system to automate vendor payments.	\$61,000
Total Project	\$171,410

In addition to the one-time project costs, there will be ongoing maintenance and support estimated at \$49,000 annually (\$29,400 Net Levy and \$19,600 Provincial funding). The ongoing maintenance costs will be shared with the Province on a cost share basis. The net levy portion will be funded from annual savings due to permanent efficiencies within the Ontario Works Program to be included and approved by Council through the 2021 Budget.

Staffing:

N/A

Legal:
N/A

HISTORICAL BACKGROUND

The current Benefit Administration Management (BAM) system was created by the City's Corporate Information Technology Division (IT) in 2013 to assist Ontario Works in administering various benefits provided to Hamilton residents as part of the OW, ODSP and Low-Income programs.

In addition to BAM, other tools such as the Low-Income System and Funeral Delivery System (FDS) are used to administer these benefits. New business and functional requirements along with end of life of the BAM system have resulted in the joint decision by IT and OW to replace these systems. The scope of the redeveloped system will also include the functionality of the Low-Income System and FDS to allow for their retirement as well.

In the Fall of 2018, a survey was sent to other municipalities to review their delivery of service for discretionary benefits for OW, ODSP and Low Income. The survey found that of four comparable municipalities that use alternative discretionary benefit tracking tools, only Niagara required a tool that supported some of Hamilton's business requirements. Niagara was working with Clark to develop a Discretionary Benefits Portal. This tool provided the online application requirements but none of the other requirements related to Hamilton's Low-Income Program or efficient management of OW Discretionary Benefits.

Niagara successfully launched their new system in April 2020. Analysis by OW and IT staff confirmed that the Niagara system lacks functionality required for our Low-Income Special Supports Program, however, staff are confident that this vendor can leverage their experience and the work done in Niagara to build enhancements for the Low-Income Special Supports Program as well as other City programs offering low-income subsidy.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

By-law 20-205, City Procurement Policy, Policy #11 Non-Competitive Procurement.

RELEVANT CONSULTATION

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City Information Technology Division: City IT staff have reviewed Niagara's system and confirmed that it meets City requirements for security and infrastructure compatibility. IT recommends proceeding to development with Clark. IT will participate with Legal to review and negotiate a "Software as a Service" contract with the vendor if Report HSC20039 is approved.

Clerks: The City Clerk will review data privacy methods with vendor's input prior to completion of any contract.

Procurement: Procurement staff was consulted with respect to adherence to the City's Procurement Policy. In the discussions with Procurement staff, OW was advised to complete a Policy #11 form and receive the approval of the General Manager of Healthy and Safe Communities Department prior to engaging the vendor.

Finance and Administration: Finance and Administration were consulted regarding the net levy impact.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

The Special Supports Program has made online accessibility and digitization a key element in their modernization strategy. This direction provides opportunities to improve client service, realize administrative efficiencies and save file management and storage costs.

Niagara worked with Clark to develop the Niagara Discretionary Benefits Portal for online requests. This system has been in operation since April 2020. It allows clients to apply on-line and receive a decision and notification of their request for benefit(s).

The benefits of leveraging the Niagara Benefits Portal with Clark include:

- The approach would use the same proven tools and procedures used by Niagara to automate client requests;
- Ministry of Children, Community and Social Services (MCCSS) has discussed the Niagara Benefits Portal with other municipalities. Some are now inquiring with Clark Marketing Communications to consider its use or for other enhancements; and,
- Contracting with a vendor other than Clark could result in the City incurring significant additional costs to redevelop functionality already in use and demonstrated by Niagara.

The proposed project would bring the following benefits:

- Improved client experience

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- Faster, easier and more convenient method for residents to request a service or benefit. OW, ODSP and low-income clients will be able to submit online applications for Discretionary Benefits 24/7 from a smart phone, laptop, tablet or computer through a guided step-by step online application.
- Clients will be able to determine potential eligibility before completing the application.
- Clients could submit supporting documentation online, track the status of their application, receive automatic email updates, receive details about missing information or eligibility decisions, and identify and view the contact information for the staff assigned to the request.
- Improved client outcomes
 - A decrease in phone calls and paper handling will allow staff to have more time for higher impact activities and eligibility decisions.
- Increase service efficiency and sustainability
 - Reduced mail and paper handling.
 - Access to real time data and improved automated metrics to identify trends, inform policy decisions, manage capped budget amounts and monitor customer service timelines.
 - Improved administrative efficiency by having simplified workflow and reduction in the number of paper applications and forms.
 - Long term supported software system.

ALTERNATIVES FOR CONSIDERATION

Hamilton could choose to pursue discretionary benefits system with another vendor selected through the City's Request for Proposal (RFP) process. The risks of pursuing this alternative include:

- Significant time required for a new vendor to develop the functionality already available in the system used by Niagara;
- Significant time required for a new vendor to gain understanding of the needs of a discretionary benefits administrator;
- Staff time and effort to explain the test similar functionality to what is currently working well for Niagara; and,
- Reduced chance of other municipalities choosing to use the same technology, thereby reducing potential for shared future cost or enhancement benefits.

Clark Marketing Communications has demonstrated much of the required functionality and successfully provide these services to Niagara. For these reasons, the alternative of not directly entering a contract with Clark that leverages the Niagara Ontario Works technical solution is not recommended by staff.

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In addition, funding available from the Province for cost-sharing is time limited and will expire on December 31, 2020.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Healthy and Safe Communities

Hamilton is a safe and supportive City where people are active, healthy, and have a high quality of life.

Our People and Performance

Hamiltonians have a high level of trust and confidence in their City government.

APPENDICES AND SCHEDULES ATTACHED

None