



## STAFF REPORT ACTION REQUIRED

### Request for a Sole Source Acquisition: "Web Access to Your Services" (WAYS) Phase II - Building on a Successful Foundation

<b>Date:</b>	May 25, 2009
<b>To:</b>	Community Development & Recreation Committee
<b>From:</b>	General Manager, Employment & Social Services Division Acting Director, Purchasing and Materials Management Division
<b>Wards:</b>	All
<b>Reference Number:</b>	

#### SUMMARY

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The purpose of this report is to seek authority to enter into a sole source agreement with Sylogix, Inc., for the design, development and implementation of WAYS Phase 2 (enhancements to WAYS Phase 1), as included in Toronto Employment & Social Services (TESS) 2009 – 2013 Capital Budget and Plan.

TESS and the District of Algoma were chosen as pilot sites by the Province of Ontario for the launch in 2008 of "Web Access to Your Services" (WAYS) Phase 1, Internet-based services for Ontario Works clients.

WAYS Phase 1 was fully funded by the Province and it is expected that the Province will fully fund WAYS Phase 2.

## **RECOMMENDATIONS**

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The General Manager, Toronto Employment and Social Services Division and the Acting Director, Purchasing and Materials Management Division recommend that:

1. Council grant authority to the General Manager, Toronto Employment and Social Services (TESS), to enter into a sole source agreement with Sylogix, Inc., satisfactory to the City Solicitor, for WAYS Phase 2, enhancements to WAYS Phase 1 which was launched in 2008. The contract value is not to exceed \$1.1 million net of all taxes, over the 2 years 2009 and 2010.
2. Council grant authority to the General Manager, TESS, to enter into necessary maintenance agreements with Sylogix, Inc., satisfactory to the City Solicitor.

### **Financial Impact**

Funding for WAYS Phase 2 and associated maintenance contracts are included in Toronto Employment and Social Services' 2009 Approved Capital Budget and 2010 to 2013 Capital Plan with cash flow of \$600,000.00 net of all taxes in 2009 and \$500,000.00 net of all taxes in 2010 under WBS CSS006-05 (Ways – Phase 2), subject to funding from the Province.

Phase 1 was fully funded by MCSS for all costs incurred by both TESS and Algoma. It is expected that the Province will be funding WAYS - Phase 2 provided that their time frames and requirements are met.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact statement.

## **DECISION HISTORY**

### **WAYS Phase 1**

The Toronto Employment & Social Services Division (TESS) is committed to enhancing Internet services to the public, consistent with the mandate reflected in the eServices Strategic Plan of the City of Toronto, the City's 3-1-1 initiative, TESS Business Plan and Service Plan and the Provincial Modernization of Services strategy.

The Province of Ontario launched its "Modernization of Social Assistance" Strategy in 2007 and requested that TESS manage the design and development of WAYS Phase 1 as a Provincial pilot, to be launched in Toronto and in the District of Algoma. The objective was to simplify access to Social Assistance in Ontario, and streamline the process for Ontarians in need. The effort was fully consistent with the TESS strategy for client-centric services and the new TESS Vision and Mission which emphasizes ease of access to services and a simplification of services for the most vulnerable population of Toronto. It also complimented the City's 3-1-1 effort and represented for the City a significant strategic move into comprehensive web based services for residents of Toronto. The modernization project would also lay the foundation for significant efficiencies to be gained by TESS over time.

Providing effective online access to services and benefits and allowing the clients of TESS a self-service approach to managing the administrative aspects of their case profile would free up TESS staff to focus on the critical aspects of the role for which they were trained – assisting clients with employment related activities and reducing client dependence on Social Assistance. Web based services for clients will thus provide TESS the opportunity for significant efficiencies, and enhance the services offered by TESS for the benefit of all Torontonians who make use of our services.

TESS and the District of Algoma were identified by the Minister as pilot sites for this Ministry of Community & Social Services (MCSS) initiative – Web Access To Your Services (WAYS), a web-based tool developed by TESS that provides on-line services to residents applying for Ontario Works (OW) with the Toronto Employment & Social Services Division and Algoma. TESS was requested by MCSS to manage the design and development of WAYS Phase 1 for launch in November 2008. Full funding was provided to TESS by MCSS to cover all costs associated with the project.

WAYS was developed by TESS and launched in November 2008 in Toronto and Algoma as planned, as the first fully integrated online application for social assistance in Canada. This new online resource facilitates easy-to-use, intuitive and customized online access to TESS services. Online available services include

- applying for assistance
- estimating eligibility
- self-scheduling an appointment for an in-person interview, and
- obtaining customized maps/directions to the appropriate service location based on the user's address or postal code.

The project was fully funded by the Province of Ontario, and represents for the Province a pilot of online services for OW and ODSP applicants.

TESS used the City's Request For Proposal (RFP) process to enter into a duly approved legal agreement with Sylogix, Inc., for the design, development and implementation of WAYS, Phase 1.

## **ISSUE BACKGROUND**

### **1. WAYS Phase 2**

WAYS Phase 2 is planned for launch – again both in Toronto and in Algoma - in early 2010. It will build on the success of Phase 1 and provide enhanced online services for all clients on social assistance in Toronto. Clients will be able to login securely to the WAYS system, and access detailed and personal information regarding their OW case details and case status, report their income or other changes to their case circumstances, and submit automated special requests for benefits or further information.

a. Deliverables for WAYS Phase 2:

Online services to be addressed in WAYS Phase 2 include:

- integration with the Phase 1 application to supplement the existing supports for OW clients such that full processing of Ontario Disability Support Program (ODSP) applications is possible via WAYS
- a secure client login/authentication for ongoing/active clients of OW which is synchronized with their existing access to the Provincial automated telephone inquiry systems, integrated with a secure client login for Phase 1 users utilizing the same authentication service and process
- secure case profile / case status inquiry
- secure online provision/distribution of an authorized “drug card” for use by clients of OW in obtaining prescribed medications
- secure online reporting of income (as required by Provincial legislation and supported by the Provincial auditor)
- secure online declaration of various changes to case circumstances (involving a large number of fields and case details)
- online service in English & French, for clients of both OW and ODSP Programs;
- a secure means for TESS (and Algoma) staff to review, validate and authorize the data submitted online by active clients
- direct upload of declared case changes to the Provincial Mainframe system – SDMT – after TESS (and Algoma) staff authorization
- audit trail reports of authorized upload transactions
- other operational and statistical reporting requirements regarding Phase 2 functions and use

b. Business Efficiency:

The enhancement of online services available to clients of Ontario Works will facilitate easier and more efficient access to information, benefits, services and supports by the most vulnerable of Toronto residents. Making these services available online for clients of OW will:

- improve quality of service for OW clients
- increase access to information about benefits and services available to OW clients
- enhance the supports that can be provided to clients by community agencies and partners
- reduce telephone and in-person inquiries by OW clients to TESS staff
- reduce staff time spent on administrative tasks associated with case management and financial benefits administration
- facilitate an enhanced emphasis by TESS staff on employment and support services such as skill development, job training, volunteerism, and other employment related activities

- reduce costs for TESS associated with the production and distribution of paper copies of the current Income Reporting Statement and Change of Information by Applicant documents (currently approximately \$1,000,000 per year)
- facilitate an increased presence in the community by TESS staff to offer clients supports and services in their homes or local community centres in association with successful programs such as Investing in Neighbourhoods and Investing in Families
- provide urgently needed alternative methods of providing service to a rapidly increasing caseload in a severe economic recession

c. Recession Response:

Over the past few months WAYS Phase 1 has demonstrated that it is playing a critical role in the TESS recession response, especially with respect to the escalation of the caseload that has already commenced.

The current economic environment impacting Toronto residents underscores and adds urgency to the need for enhanced and simplified access to the benefits and services provided by TESS. The deepening recession will result in significantly higher demands on TESS resources and staff. TESS is currently projecting a 20% increase in the volume of applications for assistance in 2009, resulting in significantly higher caseloads. Demand on staff time and on fiscal and physical plant resources is estimated to be at their highest levels in many years. These trends highlight the urgent need for alternative and efficient methods of managing these impacts and serving a rapidly increasing active caseload effectively. Web-based initiatives can no longer be considered optional, nice-to-have enhancements to existing OW service delivery methodology. Online services have now become mandatory alternative channels that facilitate access to information and services for applicants and ongoing clients of OW, and the need in Toronto is urgent. This need will be addressed through online technology solutions such as WAYS Phase 1 and 2.

## **2. Justification for Sole Source Acquisition for WAYS Phase 2**

In addition to the foregoing, the following explains the justification for the use of the Sole Source process for the acquisition of the suitable vendor for the development of “WAYS Phase 2” in Toronto.

a. Leveraging Sylogix, Inc., Experience in WAYS Phase 1 Design

WAYS Phase 1 was designed and built by Sylogix Inc., under the authority of a legal agreement dated January 31 2008 with the Toronto Employment & Social Services Division initiated by way of Request for Proposal No. 3405-07-3169.

The design for Phase 1 included:

- a detailed analysis of TESS business processes
- data gathering requirements
- security requirements

- privacy and risk assessments
- operational considerations
- detailed analysis of the Provincial Mainframe system and its architecture and data format as the WAYS system includes an interface with the Provincial system
- a secure interface with the TESS Scheduling system so as to allow clients to confirm via the Internet the details of their in-person appointments
- importation of data collected via WAYS into TESS Data Mart data warehouse to support TESS operational and performance reporting requirements.

WAYS Phase 1 was designed for implementation both in Toronto and in the District of Algoma in Northern Ontario as our Provincial partner for the pilot of online services for OW and ODSP applicants in Ontario. Some of the WAYS tools developed by TESS have also been deployed and implemented on the Ontario Provincial web site as a support to OW and ODSP applicants province wide. The widely varying and unique technical architecture of the City of Toronto, the District of Algoma and the Ministry of Community & Social Services were all factors in the design and development of WAYS Phase 1.

The WAYS suite of tools therefore involves multiple interfaces, inter-dependencies, stakeholders and technical environments. The design of WAYS is complex and incorporated requirements arising from the City's Corporate infrastructure, the TESS technical environment and architecture, the Algoma infrastructure and platforms, and the Provincial SDMT interface and related web environments and web services.

b. Specialized Knowledge, Skills and Experience

The vendor for WAYS Phase 1, through their experience in Phase 1 design and development, has already obtained comprehensive knowledge of the following details and developed the related skill sets, all of which are also critical to Phase 2 development:

- technical infrastructures and data requirements of the City of Toronto, Toronto Employment & Social Services Division, the Ministry of Community & Social Services and the District of Algoma
- business processes of Toronto Employment & Social Services Division, the Ministry of Community & Social Services and the District of Algoma
- privacy legislation & policies impacting the City of Toronto, Toronto Employment & Social Services Division, the Ministry of Community & Social Services and the District of Algoma
- Ontario Works and Ontario Disability Support Program legislation and related policies affecting Toronto Employment & Social Services Division, the Ministry of Community & Social Services and the District of Algoma

c. Matching Existing Systems

WAYS Phase 2 will be required to operate in the same environments and platforms, and will be directly impacted by the Phase 1 solution.

The following interdependencies will apply to the Phase 2 development:

- matching the Phase 1 secure upload to the Provincial mainframe system
- matching the “approval/authorization” component used by TESS staff to review and upload submitted data
- the Phase 2 system will be based on the Phase 1 database structure
- the Phase 2 solution will require a secure login function that must also be available to Phase 1 users
- Phase 1 components developed by TESS were also deployed in an Ontario partner municipality – the District of Algoma – as part of a pilot for the Province of Ontario; The Phase 1 vendor provided active support to Algoma for their deployment of the tools
- Phase 2 elements will also be deployed in Algoma, and the knowledge of Algoma’s infrastructure and environment will be a significant asset for Phase 2 design and development
- Phases 1 & 2 are both expected to be rolled out for Province wide use after a pilot in Toronto and the District of Algoma. The two phases must therefore be fully integrated and cannot be isolated systems using different design or coding approach that will result in difficulties for Provincial rollout

d. Time Constraints

In response to the current economic environment noted earlier, and the projected impacts of the recession on TESS resources and staff, the time line for WAYS Phase 2 development is very aggressive. Enhanced online services are needed urgently.

Further, TESS is expected to launch Phase 2 as a pilot for the Province of Ontario in early 2010. Testing of the interface with the Provincial mainframe system involves extensive collaboration with MCSS and involves meeting the Provincial testing requirements. The Province requires the completion of the front end solution a minimum of 2 months prior to actual launch to allow for rigorous testing protocols with the Ministry infrastructure. The solution must therefore be designed, developed, documented and complete including internal component tests, assembly tests and user acceptance testing in sufficient time to allow for the Ministry’s subsequent testing processes prior to launch.

The vendor acquired to develop Phase 2 of this solution therefore must begin the discovery and business requirements phase of the work almost immediately. The time required for a new vendor to learn and master all of the above technical environments, business processes and existing systems will be excessive. In addition, the time to issue, process, and evaluate an RFP and its responses will also cause significant time loss for the project, and put provincial funding at risk.

## COMMENTS

On January 28 2009, at a meeting of TESS representatives with the Director, Purchasing and Materials Management Division and a Contract Coordinator from the CMO's office, the question of the suitability of a Sole Source request for WAYS Phase 2 was discussed. It was concluded that due to the aggressive time constraints combined with the above noted technical complexities and business process knowledge required, that the Phase 2 of the project be assigned to the vendor with the specialized knowledge, experience and skills acquired through their work on Phase 1 and that the City's Sole Source process is the most suitable course of action for the procurement for Phase 2 of the TESS WAYS initiative. Sylogix Inc. is in the best position to deliver the greatest level of efficiency and best value for both the City and the Province. The price estimated herein is considered to be fair and reasonable and representative of the work to be provided. Authority to use the City's Sole Source process for this vendor procurement is therefore being requested.

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## SIGNATURE

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