



REPORT FOR ACTION

Non-Competitive Contract with Nimble Information Strategies Inc. for the Digitization and Storage of the City of Toronto's Ontario Works Paper Files

Date: May 8, 2019

To: General Government and Licensing Committee

From: General Manager, Toronto Employment & Social Services, Chief Information Officer, and Chief Purchasing Officer

Wards: All

SUMMARY

The purpose of this report is to seek authority for Toronto Employment & Social Services (TESS) to negotiate and enter into a non-competitive contract with Nimble Information Strategies Inc. for the digitization and storage of the paper files of Ontario Work's (OW) clients in the City of Toronto.

The Province of Ontario is implementing electronic document management in their Ontario Disability Support Program (ODSP) offices, and Nimble Information Strategies Inc. was the successful proponent of the provincial RFP for the digitization of ODSP client files.

Utilizing Nimble provides the opportunity for the City of Toronto to leverage the provincial infrastructure to create a province-wide electronic document management solution to modernize the delivery of social assistance, improve the overall client experience of social assistance recipients, and realize administrative efficiencies. Contracting with a vendor other than Nimble would result in the City incurring cost to establish the infrastructure that would enable the vendor to communicate with the province's network and interface with OpenText repository. Digitized records in the OpenText repository will be accessible to City and provincial Ontario Works staff through the Social Assistance Management System (SAMS).

The contract will be for a period of five (5) years from the effective date of the agreement, with the option to renew the contract for an additional five (5) separate one (1) year periods. The City's option to renew will be based on the annual review of the vendor's performance level over the prior years and the availability of funds in the City's operating budget for the renewal term.

City Council approval is required in accordance with Municipal Code Chapter 195, Purchasing, where the current request exceeds the Chief Purchasing Officer's authority

of the cumulative five year commitment limit for each vendor under Article 7, Section 195-7.3(D) of the Purchasing By-law or exceeds the threshold of \$500,000 net of HST allowed under staff authority as per Section 71-11A of the City of Toronto Municipal Code Chapter 71 (Financial Control By-law),.

RECOMMENDATIONS

The General Manager, Toronto Employment and Social Services, the Chief Information Officer, and the Chief Purchasing Officer recommend that:

1. City Council authorize the General Manager, Toronto Employment and Social Services, and the Chief Information Officer to negotiate and enter into a non-competitive contract with Nimble Information Strategies Inc. for the digitization and storage of the City of Toronto's Ontario Works paper files for an initial term of five (5) years from the effective date of the contract in the amount of \$6,000,000 excluding all taxes (\$6,105,600 net of HST recoveries), with the option to renew for five (5) additional separate one (1) year periods in the amount of \$3,750,000 excluding all taxes (\$3,816,000 net of HST recoveries), for a total contract value of \$9,750,000 excluding all taxes (\$9,921,600 net of HST recoveries), based on the terms and conditions satisfactory to the General Manager, Toronto Employment and Social Services, and the Chief Information Officer and in a form satisfactory to the City Solicitor.

FINANCIAL IMPACT

The total contract value identified in this report including all option years is \$9,750,000 net of all applicable taxes and charges (\$9,921,600 net of HST recoveries).

Funding in the amount of \$763,200 net of HST recoveries, is available in the 2019 Approved Operating Budget for Toronto Employment & Social Services, with future expenditures to be included in subsequent years' operating budget submissions. Funding details are set out in the Table 1 below.

Table 1: Capital Cash Flow Funding and Operating Impacts for Initial Term

WBS Element/ Cost Element	Initial Term (Net of HST Recoveries)					Total
	2019	2020	2021	2022	2023	Net of HST Recoveries
C01266- 4199/ 4120	\$763,200	\$3,052,800	\$ 763,200	\$763,200	\$763,200	\$6,105,600
Total Cost	\$763,200	\$3,052,800	\$ 763,200	\$763,200	\$763,200	\$6,105,600

Table 2: Capital Cash Flow Funding and Operating Impacts for Optional Terms

WBS Element/ Cost Element	Optional Terms (Net of HST Recoveries)					Total of Optional Terms	Total (Initial Term and Optional Terms)
	2024	2025	2026	2027	2028	Net of HST Recoveries	Net of HST Recoveries
C01266- 4199/4120	\$763,200	\$763,200	\$ 763,200	\$763,200	\$763,200	\$3,816,000	\$9,921,600
Total Cost	\$763,200	\$763,200	\$ 763,200	\$763,200	\$763,200	\$3,816,000	\$9,921,600

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

At its meeting on April 1, 2019, City Council adopted item GL3.6, Amendment to Existing Vendor of Record Agreement with OpenText Corporation for the Purchase of Enterprise Information Management Products and Services, to increase the existing agreement with OpenText Corporation (VOR No. 1020) for the purchase of Enterprise Information Management products and services. The OpenText Corporation provides goods and services to the City that manage electronic and physical City records.
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.GL3.6>

At its meeting on December 9, 2015, City Council adopted item GM8.5, Use of the Province of Ontario's Vendor of Record with OpenText Corporation for the Purchase of Enterprise Information Management Products and Services, to pilot the Province of Ontario's Vendor of Record (VOR No. 1020) for Enterprise Document and Records Management Products and Professional Services, with the intention of deploying the solution more widely across the City starting in 2017.
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.GM8.5>

COMMENTS

Toronto Employment & Social Services (TESS) manages the third largest social assistance delivery system in Canada. Under the authority of the Ontario Works (OW) Act and Regulations, TESS provides employment services, financial assistance and social supports to Toronto residents to strengthen their social and economic well-being in their communities. Ontario Works is a rules-driven program that depends on collecting and recollecting paper-based documentation to manage recipient accounts. Depending on the complexity of the case and the length of time on social assistance, the level of documentation required for any one case can be extensive.

Under current business processes, client documentation is stored in a high-density file room in one of TESS' offices, where it resides until the individual leaves social assistance. Once a person's case is closed, the paper file remains at the office for approximately one year before it is packaged by staff and sent to Archives. As a result, Ontario Works recipients depend on contacting or visiting their local office to access their information, or to understand the status of their applications, or other entitlements to which they may be eligible.

The Employment and Social Services Division's Electronic Document Management project aligns with the City's Information Management Program, which aims to increase productivity by automating manual paper-based processes and ensuring rapid and ready access to information assets, as well as reduce the costs of identifying, collecting and preserving electronically stored information.

The services required under the contract are the digitization and storage of active Ontario Works client paper files. In addition, documents that are received through Canada Post, fax and in office drop-offs will be rerouted to the vendor for digitization. The vendor will route digitized files to the Province of Ontario's OpenText repository that will be accessible to City of Toronto and provincial Ontario Works staff through the Social Assistance Management System (SAMS).

Utilizing trends and data analysis of client files, Toronto Employment & Social Services estimates there are 14.7 million pages inactive client files that will need to be digitized. Based on Nimble's quote, the total cost of digitizing active Ontario Works files is projected to be \$2.8 million. Digitization will commence late in 2019 once the required updates to SAMS are completed and continue through 2020.

On an ongoing basis, Toronto Employment & Social Services projects processing 200,000 pieces of paper each month from approximately 3,750 new Ontario Works applications as well as active files which need to be digitized and added to clients' files. Based on Nimble's quoted price, the ongoing cost of digitization is projected to be \$750k annually once the project is fully implemented.

By reducing the amount of time spent on document management functions, and allowing for electronic document retrieval in real-time, the Electronic Document Management project creates opportunities for enhanced service delivery, frees time for active case management functions, and enables staff to make faster decisions.

Reflecting the expected efficiencies, Toronto Employment & Social Services has included in its 2019 Approved Operating Budget a cost savings of \$1.2 million and 14 Full-Time Equivalent (FTE) positions. Over the first five years of the project, the identified total savings will be \$6 million, and it is expected that further cost savings will be determined once the project is fully implemented. These savings will be incorporated into future years' operating budget submissions.

Over time, full implementation of the Electronic Document Management project will eliminate the need for high-density file rooms in Toronto Employment & Social Services' local offices. File rooms are being eliminated from the design of all new offices and the file rooms in existing offices will be removed and the space repurposed. It also will decrease IT, procurement, facilities and document management costs of physical

document and records, and lower business disruption costs and improve productivity through improved compliance capabilities, processes, and enforcement monitoring.

The Province is implementing electronic document management in its Ontario Disability Support Program (ODSP) offices. Nimble Information Strategies Inc. was the successful proponent of the provincial RFP for the digitization of Ontario Disability Support Program (ODSP) client files. Approval has been given to Ministry of Community and Social Services (MCSS), by the Ontario Treasury Board, to expand the project to Ontario Works (OW) program using Nimble Information Strategies Inc. as the digitization vendor.

The provincial contract provides the opportunity for the City of Toronto to partner with the Ministry of Children, Community and Social Services to create a province-wide electronic document management solution to further modernize the delivery of social assistance, improve the overall client experience of social assistance recipients and realize administrative efficiencies. In addition, by partnering with the province the City of Toronto will also realize cost savings through Ministry of Community and Social Services (MCSS) covering the cost of OpenText end-user licensing fees in the amount of \$150 per user per year for approximately 1911 staff for a total \$286,650 annually.

While Nimble Information Strategies Inc. was the successful proponent of the provincial RFP for the digitization of Ontario Disability Support Program (ODSP) client files, municipalities have the option of negotiating a contractual agreement with any vendor for the digitization of their Ontario Works files. However, contracting with a vendor other than Nimble Information Strategies Inc. would result in the City incurring cost to establish the infrastructure that would enable the vendor to communicate with the province's network and interface with OpenText repository. These costs will not be incurred by the City through an agreement with Nimble Information Strategies Inc. as the infrastructure is already in place. As well, by contracting with Nimble, the City would not be responsible for the cost of any technical and administrative changes in the digitization process that might result from technology changes in the provincial Social Assistance Management System (SAMS) application.

The Fair Wage Office has confirmed that Nimble Information Strategies Inc. has reviewed and understands the Fair Wage Policy and Labour Trades requirements and has agreed to comply fully.

CONTACT

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SIGNATURE

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