

Non-Competitive Procurement with Computacenter TeraMach Technologies Inc. for Change Management Consulting Services for Housing Secretariat

Date: November 5, 2024

To: General Government Committee

From: Executive Director, Housing Secretariat and Chief Procurement Officer

Wards: All

SUMMARY

The purpose of this report is to request authority to enter a new non-competitive contract with Computacenter TeraMach Technologies Inc. for the supply of change management consulting services for Housing Secretariat from the date of award to December 31, 2026, for a total amount of \$442,478 net of all applicable taxes and charges (\$450,266 net of Harmonized Sales Tax Recoveries).

The services sought under this non-competitive contract are for a new and distinct phase of the Modernization Project within Housing Secretariat, as well as operationalization of an existing phase. There will be continued focus on ensuring digital equity for housing applicants who lack access to technology or require non-digital options to maintain their housing applications and receive housing offers. The new Project phase is the result of City Council direction to implement a Centralized Affordable Rental Housing Access System. This new phase introduces significant program, policy, and operational changes that require continued change management expertise, familiarity with the project history, and the ability to meet tight project timelines.

RECOMMENDATIONS

The Executive Director, Housing Secretariat and the Chief Procurement Officer recommend that:

1. City Council, in accordance with Municipal Code Chapter 195-Purchasing, where the current request exceeds the Chief Procurement Officer's authority of the cumulative five (5)-year commitment, 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 the Toronto Municipal Code, Chapter 71 Financial Control, Section 71-11A, grant authority to the Executive Director of the Housing Secretariat to negotiate and enter into a non-competitive contract with Computacenter TeraMach Technologies Inc. for the amount of \$442,478 net of all applicable taxes and charges (\$450,266 net of Harmonized Sales Tax recoveries) to provide change management consulting services for a term that will commence from date of award until December 31, 2026.

FINANCIAL IMPACT

The total potential contract value identified in this report is \$442,478, net of all taxes and applicable charges and \$500,000 inclusive of all taxes and charges. The total potential cost to the City is \$450,266, net of Harmonized Sales Tax Recoveries.

Funding is available in the 2024-2033 Capital Budget for the Housing Secretariat. Additional funding details follow in Table 1.

Table1: Financial Impact Summary of Recommended Contract (Net of Harmonized Sales Tax Recoveries)

Cost Centre: WBS Element: CAF011-04-01	Total (Net of Harmonized Sales Tax Recoveries)
From the date of award to December 31, 2024	\$18,010
January 1, 2025 to December 31, 2025	\$216,128
January 1, 2026 to December 31, 2026	\$216,128
Total Net of HST Recoveries	\$450,266

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial implications as identified in the Financial Impact Section.

DECISION HISTORY

On July 24, 2024, Council granted authority to staff to negotiate the integration of a Centralized Affordable Rental Housing Program into the existing web-based system acquired from Yardi Canada Ltd. and to enter a further five-year contract with this Supplier

until December 31, 2029. This initiated Phase 3 of the Modernization Project. A record of this decision can be found here: [Agenda Item History - 2024.GG14.13 \(toronto.ca\)](#)

On July 19, 2022, Council directed staff to proceed with the design and integration of the Centralized Affordable Rental Housing Access System into the existing web-based portal, MyAccessToHousingTO. A record of this decision can be found here: [Agenda Item History - 2022.PH35.20 \(toronto.ca\)](#)

On October 29, 2019, the Auditor General released a review of Rent-Geared-to-Income housing oversight and administration that resulted in the launch of Phase 2 of the Modernization Project. A record of this decision can be found here: [Agenda Item History - 2019.AU4.5 \(toronto.ca\)](#)

On July 16, 2019, the Auditor General released a review of the waitlist management for Rent-Geared-to-Income housing that resulted in the launch of Phase 1 of the Modernization Project. A record of this decision can be found here: [Agenda Item History - 2019.AU3.14 \(toronto.ca\)](#)

COMMENTS

This non-competitive procurement is requested for change management consulting services to support the centralization of the Affordable Rental Housing program (Phase 3), as well as the operationalization of the Housing Administration Provider Portal (Phase 2).

Below is a brief overview of the Modernization Project history, the specifics of past consulting services to date, and the rationale for the current non-competitive procurement request.

Modernization Project History and Past Consulting Services to Date:

Phase 1:

The Toronto Applicant Waiting List database was the legacy system used by the City to manage the Centralized Waiting List for households applying for Rent-Geared-to-Income assistance, pursuant to the *Housing Services Act*, 2011, under which the City is legislated to administer a waiting list as a Service Manager. The Toronto Applicant Waiting List was developed in a different era before the widespread use of technology and web-based systems. In 2019, the Auditor General published *Opening Doors to Stable Housing: An Effective Waiting List and Reduced Vacancy Rates Will Help More People Access Housing*, outlining 28 recommendations to improve waitlist management for Rent-Geared-to-Income. The implementation of the Choice Based Housing System replaced Toronto Applicant Waiting List and has allowed 25 of the 28 audit recommendations to be satisfied.

The launch of the Choice Based Housing System is 'Phase 1' of the Modernization Project. In preparation for the transition from Toronto Applicant Waiting List ,

Technology Services Division put out a Request for Resources in 2018 to Information Technology firms on roster to provide a resource to serve as a 'Project Manager of Modernization Program for the Information & Technology Division all in accordance with the requirements of the Request for Expressions of Interest (Roster) document." Computacenter TeraMach Technologies Inc. was the successful proponent.

At the exhaustion and expiration of the original 2018 contract, Shelter Support and Housing Administration secured a purchase order through a Non-Competitive Process to secure specialized consulting services to support Housing Stability Services with the division's Modernization Project. Shelter Support and Housing Administration acquired the same Supplier, Computacenter TeraMach Technologies Inc. through this 2021 non-competitive procurement process due to their project familiarity and success to date with Phase 1. The Supplier was able to provide the same resource for this non-competitive procurement .

In 2022, Housing Stability Services transitioned from Shelter Support and Housing Administration to Housing Secretariat. Housing Secretariat continued to utilize the contract for the required services. The contract with the Supplier expired April 30, 2023. Purchasing and Materials Management approved Housing Secretariat to proceed with extending the contract to April 2025. Housing Secretariat obtained an extension of the purchase order for funds that would carry the contract until the end of Q2 2024, to complete work on Phase 1 of the project. In February 2024, Housing Secretariat approved a further Purchase Order Amendment of \$45,000 to reach the maximum of the 2021 funds of \$500,000. The funds from this non-competitive procurement is now exhausted.

Phase 2:

Also in 2019, the Auditor General released a second audit report on Rent-Geared-to-Income Housing entitled *Safeguarding Rent-Geared-to-Income Assistance: Ensuring Only Eligible People Benefit*. The recommendations from this audit and subsequent Council direction resulted in 'Phase 2' of the Modernization Project. The launch of the Housing Administration Provider Portal offers improved Service Manager oversight of Rent-Geared-to-Income Housing administration, including enhanced data standardization. The implementation of Phase 2 is currently underway, with onboarding of providers beginning in October 2024, and full implementation scheduled to run until the end of 2026.

Phase 3:

Following the launch of MyAccessToHousingTO for Rent-Geared-to-Income housing, City Council directed staff on July 19, 2022, to integrate units from the existing Affordable Rental Housing program into the system, leveraging the technology's ability to create a centralized and efficient one-window access system for Rent-Geared-to-Income and Affordable Rental housing. Once integrated, applicants will be able to submit and maintain one online application and express interest on available vacancies for units under both programs through Choice-

Based Cycles. The integration of Affordable Rental Housing into MyAccessToHousingTO is referred to as 'Phase 3' of the Modernization Project and is scheduled to launch in Q3 2025 and be fully implemented by the end of Q2 of 2027.

Current Non-Competitive Procurement Request and Rationale of Request:

Computacenter TeraMach Technologies Inc. successfully provided the consulting services that were required to complete the scope of Phase 1 of the Modernization Project. This included the design and launch of the Choice-Based Housing Access Program for Rent-Geared-to-Income housing, and migration of the program from the legacy system (Toronto Applicant Waiting List) to a new cloud-based system. Phase 1 is now complete, and the Modernization Project must move ahead with roll out of Phase 2 & launch of Phase 3 to meet the deadline of the end of Q2 of 2027.

The scope of Phase 2 includes building the supports and processes required for centralized rent calculations, setting up governance and oversight of the housing inventory, and annual review administration. This Phase is scheduled to begin pilots with providers in October 2024 and is expected to be fully operational by end of 2026. While Phase 2 is launching now, the services of the Supplier are required to support the change management for providers and staff as the portal is operationalized.

The scope of Phase 3 includes the design and enhancement of processes to facilitate the inclusion of the Affordable Rental Housing program into the existing web-based portal. The delivery of the program includes a new random draw applicant selection option. Launch to the public is targeted for Q3 2025, with pilots and full operations planned throughout 2026 until the end of Q2 of 2027.

Phases 2 & 3 are a continuation of Phase 1 from a technology standpoint. However, these phases introduce significant program, policy and operational changes that require change management expertise. The success of the finalization of Phase 2 and launch and implementation of Phase 3 therefore depends on the consultants' knowledge of the housing programs and their complexities, as well as possessing a working technological knowledge of the existing system configuration delivered in Phase 1. The "compatibility" non-competitive procurement rationale is being identified in engaging this supplier as the Supplier has the required expertise built up over six years of engaging on this Project. Their historical knowledge is integral to the continued timely roll-out of the future work, which must run on schedule or risk disruption to the City.

The work of Phase 3 to move a paper-based and decentralized program, currently administered by hundreds of Affordable Housing providers across the City, into a centralized digital platform is a significant shift in operations. A change of this magnitude for staff, providers, and the public requires change management expertise and oversight to ensure the integration runs smoothly, limits risk and disruption, and meets deadlines. Should the recommendation of this report not be approved, any interim transition period for a competitive procurement process would be disruptive to the intricate work underway. The complex nature of the work and programs require time to understand, and any

transition to a new Supplier would result in lost time and added costs as the new Supplier onboards.

Housing Secretariat sought a market rate comparison for Senior Change Management Consultants from Technology Services Division. The Supplier is on par with what the market could produce in an open call for consultants with 20+ years of experience.

To limit disruption for the public and staff, and to ensure the Modernization Project can deliver on its timelines for implementation, we are seeking a new non-competitive procurement for the Supplier for work on Phase 2 and 3 of the Modernization Project from the date of approval until December 31, 2026.

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SIGNATURE

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