

REGIONAL MUNICIPALITY OF OTTAWA-CARLETON
MUNICIPALITÉ RÉGIONALE D'OTTAWA-CARLETON

REPORT
RAPPORT

Our File/N/Réf.
Your File/V/Réf.

DATE 4 November 1996

TO/DEST. Co-ordinator
Corporate Services and Economic Development Committee

FROM/EXP. Social Services Commissioner

SUBJECT/OBJET **PROVISION OF CONSULTING SERVICES CONTRACT TO
DEVELOP PHASE II OF THE SOCIAL SERVICES DECISION
SUPPORT SYSTEM**

DEPARTMENTAL RECOMMENDATION

That the Corporate Services and Economic Development Committee approve the award of a contract to develop Phase II of the Social Services Decision Support System and to acquire the software licenses from Price Waterhouse/Amdahl for a total contract provision of \$1,803,810.

BACKGROUND

Improving Client Services (ICS) was established as a 3.5 year initiative funded by an \$ 8 million capital project to implement the Social Services Department's Information Processing Strategy. The strategy committed the Department to review its current policies and procedures before developing automated solutions. The overall goal of the ICS initiative is to improve how the Department delivers services to clients through the study, redesign, planning and implementing of new business solutions. The Department has been working in conjunction with the local area office of the Ministry of Community and Social Services (FBA) to reach its goal.

The Department's on-going challenge is to improve client services within a context of existing or diminishing resources. To meet this challenge head on, the ICS initiative's methodology has been three pronged: business process re-engineering, change management and enabling technology. Since most of the Department's on-going activities are focused on service delivery to clients, the business process re-engineering efforts were concentrated in those areas.

Enabling technology will support the redesigned processes. The Department will ensure that the Decision Support System being designed will be compatible with Regional standards and Provincial directions such as Caseworker Technology.

The first re-designed business solution, Client Intake and Eligibility Determination (commonly known as R2D - request to decision) is presently being implemented. Phase I of the Decision Support System, developed by Price Waterhouse/Amdahl, is being put into production to support this redesigned process. The contract for Phase I was for \$ 1.1 million including the software licence for up to 100 users.

The second client delivery process, Manage Cases, has also been studied and re-designed by an internal BPR Team. Manage Cases is a complex business process and Social Services currently spends approximately \$21 million for its administration. The re-designed Manage Cases solution has projected \$2.6 million in annual cost savings. To help realize these savings for 1998, Phase II of the Decision Support System, will need to be developed and implemented by the end of 1997. A Request for Proposal (RFP) to develop Phase II of the Computer System was prepared by the Department.

PROVINCIAL INITIATIVES

The Ministry of Community and Social Services is also embarking on business process redesign and enabling technology.

The first initiative, Case Worker Technology (CWT), involves the introduction of client/server environment to capture client program data. The Department's Decision Support System will use the hardware infrastructure provided by CWT.

The Ministry is currently negotiating with Anderson Consulting for the redesign of all of the Ministry's business practices. It is anticipated that this redesign proposal will take 3 to 5 years to complete.

THE REQUEST FOR PROPOSAL PROCESS

A notification was published in the local newspapers inviting consulting firms to obtain a copy of the RFP. In addition, the proposal was distributed to the eight firms who had submitted a proposal to SSD to develop Phase I of the Decision Support Computer System (DSS). Notification of the RFP was also posted on the electronic open bidding system.

The RFP requested that Consulting Firms:

- provide project management and resources to develop Phase II of SSD's Decision Support Computer System;
- follow a rapid application development approach;

- prepare for and facilitate Joint Application Design Workshops (JAD's) to define the users requirements;
- integrate the Phase II solution seamlessly with Phase I of the DSS;
- replace/interface with current legacy systems and interface with various external databases; and
- the cost to develop Phase II could not exceed \$1.1 million (excluding software licences and GST).

The Social Services Department received one response to the RFP. The proposal was submitted by Price Waterhouse/Amdahl for a cost of \$1.1 million for the development of the Phase II solution and a one-time cost of \$ 483,000 for software licenses for up to an additional 300 users.

SELECTION CRITERIA

A Selection Board, consisting of the Directors of Information Systems and Supply Management, and the Managers of Application Development (Finance), Improving Client Services and Systems (SSD), reviewed the RFP and developed the following selection criteria:

- quality of the proposal solution;
- minimization of risks to RMOC;
- compliance to the RFP;
- demonstrated understanding of SSD requirements and deliverables;
- ability to meet the schedule;
- proven experience and skills of proposed project team;
- adequacy and flexibility of workplan;
- breakdown of planned resources per workplan activities;
- sound and proven project management approach; and
- viable technical solution proposal.

The Selection Board met and reviewed the proposal submitted by Price Waterhouse/Amdahl against the above evaluation criteria. It was determined by the Board that Price Waterhouse had a complete project methodology, the technical capability of delivering to SSD the Phase II Computer System within the specified time schedule and cost. Price Waterhouse/Amdahl is the Consulting Firm that developed Phase I of the DSS and to-date they have met all the agreed upon milestone deliverables within budget. Based on these factors the Selection Board has recommended that the contract to develop Phase II of SSD's Decision Support System be awarded to Price Waterhouse/Amdahl.

CONSULTATION

The consultation process is not applicable.

EXPENDITURE JUSTIFICATION

SSD's Decision Support System is a key component of the Departments' ability to re-design its business processes. Developing and implementing Phase II of the Decision Support System will automate the client manage cases process and build on the foundation of Phase I to address the client delivery cycle. Without Phase II of the Decision Support System, the Department will not be able to achieve the projected annual cost savings of \$2.6 million.

FINANCIAL STATEMENT

The award is in the amount \$1,693,810 including G.S.T. In addition, a contingency allowance in the amount of \$110,000 (including G.S.T.) is requested to allow for contract variations.

Financial Budget to Date	\$ 8,325,000
Total Paid and Committed	<u>(5,952,609)</u>
Balance Available	2,372,391
THIS REQUEST	<u>1,803,810</u>
Balance Remaining	<u>568,581</u>

Funds are available in account number 912-54430-3603.

*Approved by
Dick Stewart*

SK/jm

FINANCE DEPARTMENT COMMENT

Funds are available as indicated.

*Approved by T. Fedec
on behalf of the Finance Commissioner*