## RECOMMENDATION

(a) That an extension of up to one year of the Procurement Policy 11 be approved for a single source contract with Del Management Solutions Inc. (DMS) for the administration of the centralized wait list for social housing applicants in the annual amount of $335,198, to be charged to DeptId and account 625010-57010.

(b) That a payment to Del Management Solutions Inc. (DMS) in the amount of $27,298.34 for remaining expenses in 2013 for administration of the centralized wait list for social housing applicants be charged to DeptId and account 625010-57010.

## EXECUTIVE SUMMARY

This report seeks Council’s approval for the extension of a single source contract for up to one year with Del Management Solutions Inc. (DMS) to administer the co-ordinated access wait list for social housing applicants. It is necessary to obtain the approval of Council for extension of the Policy 11 as a single source as the monetary value of the contract exceeds $250,000 as per Policy 11, Section 4.11 of the City’s Procurement Policy.

The City’s Purchasing Division initially issued a Request for Proposal (RFP) in 2004 under Contract C2-15-04 to procure services to administer a centralized housing wait list. In Hamilton, the service is called Access to Housing (ATH). Fengate Property

### CITY OF HAMILTON

**COMMUNITY AND EMERGENCY SERVICES DEPARTMENT**

**Housing Services Division**

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<tr>
<th>TO:</th>
<th>Chair and Members Emergency &amp; Community Services Committee</th>
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<tr>
<td>COMMITTEE DATE:</td>
<td>February 10, 2014</td>
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<tr>
<td>SUBJECT/REPORT NO:</td>
<td>Procurement Policy 11 Approval of the Extension of the Contract with Del Management Solutions Inc. (CES14008) (City Wide)</td>
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<td>WARD(S) AFFECTED:</td>
<td>City Wide</td>
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<td>SIGNATURE:</td>
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### OUR Vision:
To be the best place in Canada to raise a child, promote innovation, engage citizens and provide diverse economic opportunities.

### OUR Mission:
We provide quality public service that contribute to a healthy, safe and prosperous community, in a sustainable manner.

### OUR Values:
Accountability, Cost Consciousness, Equity, Excellence, Honesty, Innovation, Leadership, Respect and Teamwork.
Management was the successful bidder and the City entered into a 3-year contract commencing January 1, 2004. In 2007, and every three years thereafter, the City issued an RFP for the delivery of ATH. Fengate was the successful proponent for all subsequent RFP’s. Fengate sold their business to DMS and a Novation Agreement was signed November 7, 2011. The expiry of this agreement was December 31, 2012. At the March 25, 2013 Emergency and Community Services (E&CS) Committee meeting, approval was given to extend the contract with DMS for one year as Housing Services Division was exploring alternate delivery models for the co-ordinated waitlist service.

The current ATH waitlist service has been under review since September 2012 by a committee comprised of City staff and housing stakeholders from the community. Two Requests for Information (RFI)’s were issued in 2013 to explore alternate delivery models and community interest in delivering the co-ordinated waitlist service. The first RFI was issued February 2013 but there were minimal submissions to the RFI. Another RFI issued on May 1, 2014. It was determined that there was enough interest in delivering the service to proceed with a Request for Proposals. The RFP will be issued in the second quarter of 2014. It is anticipated that the RFP process will be completed and a contract will be in place with the successful proponent by the end of the third quarter of 2014.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS (for recommendation(s) only)

Financial:
The contracted annual fee payable to DMS in 2013 was $304,548 plus HST ($25,379.05 per month). Unexpected costs for postage, courier, communication and supplies exceeded the total approved amount by $27,298.34. DMS provided adequate back-up documentation to support these expenditures. The existing contract with DMS allows for in-year incidental costs with supporting documentation. The existing contract does not specify a maximum amount for incidental costs.

It is recommended that the 2014 contracted annual fee payable to DMS be $307,898 ($25,658 per month) plus HST including a 1.1 % Consumer Price Index increase and that an annual amount of up to $27,300 be approved for defined incidental costs for a maximum annual payment of $335,198. The maximum amount of $27,300 is based on actual incidental costs for 2013.

It is anticipated that the RFP process will be completed and a contract will be in place with the successful proponent by the end of the third quarter of 2014.

Staffing:
There are no staffing implications for Report CES14008.
Legal:
The contract extension with DMS has been reviewed and approved by the City’s Legal Services Division.

HISTORICAL BACKGROUND
The legal mechanism developed by the Province of Ontario to transfer all responsibility for social housing to Ontario municipalities was the Social Housing Reform Act 2000 (SHRA). Included in the responsibility was the administration of the co-ordinated access wait list. The co-ordinated access wait list is a local system of referring applicants seeking rent subsidized housing to social housing providers. Access to Housing (ATH) was adopted as the working name for the co-ordinated access system for the City of Hamilton. The SHRA was superseded by the Housing Services Act, 2011. The co-ordinated waiting list remains the responsibility of the City Of Hamilton.

In April 2004, City Council directed staff (Report #HCS04029) to proceed with a Request for Proposal (RFP) for the delivery of a co-ordinated access system for social housing. In September 2004, Fengate Property Management Ltd. was awarded Contract C2-15-04 effective January 1, 2005 (Report #HCS04059).

Fengate Property Management held the contract for the delivery of the co-ordinated access system for social housing. As per the City of Hamilton’s Purchasing Policy, in 2007 and, every three years thereafter, the City of Hamilton issued another RFP for the delivery of the Co-ordinated Access System for Social Housing. Fengate was the successful proponent in all subsequent RFP’s. Fengate sold their business to DMS and a Novation Agreement was signed November 7, 2011.

The current ATH waitlist service has been under review since September 2012 by a committee comprised of City staff and housing stakeholders from the community.

Two Requests for Information (RFI)’s were issued in 2013 to explore alternate delivery models and community interest in delivering the co-ordinated waitlist service. The first RFI was issued February 2013 but there were minimal submissions to the RFI. Another RFI issued on May 1, 2014. It was determined that there was enough interest in delivering the enhanced service delivery model to proceed with a Request for Proposals. The RFP will be issued in the second quarter of 2014. It is anticipated that the RFP process will be completed and a contract will be in place with the successful proponent by the end of the third quarter of 2014.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS
There are no policy implications to the recommendations in Report CES14008
RELEVANT CONSULTATION

The current ATH waitlist service has been under review since September 2012 by a committee comprised of City staff and housing stakeholders from the community. Two key areas were explored regarding the co-ordinated waitlist service. The possibility of bringing the service “in-house” and delivered by Housing Services Division staff was under consideration. It was determined that the most cost-effective option was to continue to purchase the service through a third-party agreement with a community agency. The quality and effectiveness of the current ATH service was also reviewed. It was determined that the waitlist service should be enhanced to offer a more person-centred service to support individuals and families while they wait for a social housing unit.

Housing Division staff is working with the Legal Services Division and Financial Services - Procurement Division to develop, issue and evaluate a Request for Proposal for the selection of a vendor to deliver the social housing wait list.

Staff has been working closely with both Purchasing and Legal Departments to ensure the contract attached to the RFP covers all contingencies that may arise during the contract period.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

It is necessary to obtain the approval of Council for extension of the Policy 11 as a single source as the monetary value of the contract exceeds $250,000 as per Policy 11, Section 4.11 of the City’s Procurement Policy.

ALTERNATIVES FOR CONSIDERATION

There are no alternatives for Report CES14008

ALIGNMENT TO THE 2012 – 2015 STRATEGIC PLAN

Strategic Priority #1
A Prosperous & Healthy Community

WE enhance our image, economy and well-being by demonstrating that Hamilton is a great place to live, work, play and learn.

Strategic Objective
1.6 Enhance Overall Sustainability (financial, economic, social and environmental).

Strategic Priority #2

Valued & Sustainable Services

WE deliver high quality services that meet citizen needs and expectations, in a cost effective and responsible manner.

OUR Vision: To be the best place in Canada to raise a child, promote innovation, engage citizens and provide diverse economic opportunities.

OUR Mission: WE provide quality public service that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Values: Accountability, Cost Consciousness, Equity, Excellence, Honesty, Innovation, Leadership, Respect and Teamwork.
Strategic Objective
2.1 Implement processes to improve services, leverage technology and validate cost effectiveness and efficiencies across the Corporation.
2.2 Improve the City's approach to engaging and informing citizens and stakeholders.
2.3 Enhance customer service satisfaction.

Strategic Priority #3
Leadership & Governance
WE work together to ensure we are a government that is respectful towards each other and that the community has confidence and trust in.

Strategic Objective
3.4 Enhance opportunities for administrative and operational efficiencies.

APPENDICES AND SCHEDULES ATTACHED
None