



<b>TO:</b>	<b>CHAIR AND MEMBERS COMMUNITY AND PROTECTIVE SERVICES COMMITTEE MEETING FEBRUARY 18, 2015</b>
<b>FROM:</b>	<b>SANDRA DATARS BERE, MANAGING DIRECTOR, HOUSING, SOCIAL SERVICES, AND DEARNESS HOME</b>
<b>SUBJECT:</b>	<b>HOUSING COLLABORATIVE INITIATIVE (HCI) UPDATE</b>

**RECOMMENDATION**

That, on the recommendation of the Director of Municipal Housing with the concurrence of the Managing Director, Housing, Social Services and Dearness Home, the following report with respect to the development of an Information System for Social Housing Administration, through the Housing Collaborative Initiative, **BE RECEIVED** for information.

**PREVIOUS REPORTS PERTINENT TO THIS MATTER**

Board of Control (December 12, 2007) – Social Housing Software Purchase Agreement

Community Services Committee (December 19, 2011) – Municipal Partnership for the Development of and Information System for Social Housing Administration

Community & Protective Services Committee (April 22, 2013) - Housing Collaborative Initiative Service Manager Consortium Agreement: Expression of Interest for the Development of an Information System for Social Housing Administration

Community & Protective Services Committee (January 20, 2014) – Housing Collaborative Initiative Approval of Service Manager Consortium Agreement

**BACKGROUND**

Municipal Housing Service Manager (SM) Collaboration

SMs recognize the critical need in having a comprehensive and robust IT system for housing, but as a single municipality, the City of London like the majority of SMs, could not afford to develop and support a system alone. Technology is often cost prohibitive as maintenance and hosting costs are continuous and system upgrades are expensive. In response, 8 SMs, including London, Windsor, Hamilton, Waterloo, Municipality of Chatham-Kent, Region of York, Halton Region and Ottawa formed a consortium under the name Housing Collaborative Initiative (HCI) to develop a custom made solution designed by SMs for SMs (the first of its kind).

Once implemented, the system will provide for one single, consolidated SM management system. It will also drive innovation and modernize operations by including on-line wait list registration capabilities for clients as well as automated rent-gear-to-income calculations. Shifting transactions from the current paper-based process to the online will reduce operating costs for SMs over time and enable SMs to provide more value added customized assistance.

By collaborating, HCI has been able to significantly reduce the cost of development and ongoing maintenance costs while ensuring that the system will meet collective needs and be adaptive to changing circumstances.



### Council Direction and Support

In April 2013, Municipal Council endorsed the collaboration and subsequently approved a financial contribution of up to \$200,000.

In January 2014, Council passed a By-law to approve the Consortium Agreement – Housing Collaborative Initiative and delegate authority to the Managing Director, Housing Social Services and Dearness Home or her/his designate to execute all further Agreements on behalf of the City of London with respect to the Housing Collaborative Initiative.

The Consortium Agreement outlined the obligations, rights and responsibilities of the Governing Group members as well as the assessment of costs, payment terms and other provisions to protect the interests of each SM and of the group as a whole. Responsibility for ongoing maintenance and licensing will transfer to the Governing Group.

### Request for Proposal Results

In 2014, the Region of Waterloo issued a cooperative Request for Proposal for a Housing Software System on behalf of the Housing Collaborative Initiative (HCI) Governing Group. The RFP's purpose was to select a software developer to design, build, implement, maintain and support a software application that will facilitate the operations of Service Managers in social housing. The RFP contained detailed business requirements that were developed by HCI.

A pre-qualification process for this project was conducted in April 2013 (PQ2013-04) with four proponents qualifying for the request for proposal process. Proposals from qualified proponents were received and evaluated on technical merit using pre-determined criteria. A minimum score was required in each category as set out in the request for proposal prior to the pricing envelopes being opened. The scoring criteria consisted of Application, Hosting, Support, Work Plan and System Demonstration.

One proponent obtained the highest overall score under a vendor ownership model for the source code and intellectual property. The work under this contract requires the successful bidder to design, develop, implement (including a comprehensive SM training program), support, and host housing management software according to the business requirements. All eight municipalities in the HCI Governing Group have approved their capital contributions for the development of the software, and will individually execute the agreement with the successful bidder and will be responsible for paying their share of the costs to the successful bidder in accordance with the HCI Consortium Agreement.

The Housing Collaborative Initiative RFP Bid Report is available upon request, for more in-depth detail regarding the RFP process, including a summary of consensus scoring, technical scores, cost scores, overall scores, resulting impacts of scoring/ownership model, next steps and lessons learned.

### Next Steps

Negotiations have been entered into with the successful proponent for a Master Service Agreement (MSA). Ottawa and Hamilton legal counsels are taking the lead in reviewing the initial MSA, including a draft response for review and approval by the HCI Governing Group. A final MSA and contract execution date of February 5, 2015 has been scheduled.

Once the MSA is executed, project set-up activities will commence leading to the development, testing, implementation and training of end-users. It is expected that various system modules will be ready and in production throughout the course of 2015, noting it will likely take until the end of 2016 for all modules to be fully implemented. A full time project manager has been retained by the HCI Governing Group through the City of Ottawa, in order to assist with the development and project management responsibilities of the HCI group.



**FINANCIAL IMPLICATIONS**

The overall cost to provide a system to HCI (eight municipalities) is \$1,970,224. This includes development, training, contingency, a five (5) year annual maintenance program and hosting and support costs.

Service Manager costs are apportioned based on weighted average of social housing units under administration. The City of London's costs are summarized as follows, excluding the GST/HST Incremental Federal Rebate for Municipalities:

PD2633 – Capital Costs	\$ 174,779
Operating Costs (5 Years)	<u>\$ 49,827</u>
London Project Cost	<u>\$ 224,606</u>

An annual amount of \$9,965, which is London's share of the five year data hosting and maintenance/support costs, plus on-going staff, meeting and travel costs incurred during the development phase of the project will be accommodated within the Housing Division's operating budget.

The Province has forty-seven (47) SMs responsible for the delivery and administration of social housing programs in Ontario. Since the IT system is being designed as a solution that would be able to be used by all SMs, it is the intent of the HCI Governing Group to work in partnership with the vendor to market the software to other interested SMs. In the event that additional SMs purchase the software, the overall development costs of the original eight (8) SMs may be reduced.

In addition, a request for funding was submitted to the Ministry of Municipal Affairs and Housing (MMAH), for a portion of the application development and recruitment of other municipalities. At the time of issuing this report the MMAH Funding Transfer Agreement was proceeding through the MMAH approval process. The exact funding amount is confidential and cannot be disclosed at this time.

**CONCLUSION**

HCI is a long-term, upstream investment that recognizes the system roles of Service Managers and the Province. The HCI is a critical part of the City's "local system steward" toolkit to provide better customer service in the administration of social housing.

The new single IT system will provide SMs with the necessary tool they need to operate their businesses more effectively and efficiently, including streamlining program delivery, improving report capability and facilitating a more proactive approach to program(s) administration. It would provide the Province with an adequate accountability mechanism for reporting on the results achieved by SMs for the funds provided and monitor how well social housing is being managed.

In addition, the ability to easily and directly enter data and access information on such things as housing provider performance, program funding, client demographics, asset management, subsidy allocation, operational reviews, risk management and tenant satisfaction surveys would enable SMs to better plan for the future while managing an aging housing stock.



Acknowledgements

Each SM is responsible for ensuring compliance with their respective purchasing, IT and legal requirements throughout the project. As such, representatives from the City of London Housing, IT, Legal and Purchasing should be recognized for their contribution and commitment to the success of HCI.

<b>PREPARED BY:</b>	<b>RECOMMENDED BY:</b>
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<b>CONCURRED BY:</b>	
<b>SANDRA DATARS BERE MANAGING DIRECTOR, HOUSING, SOCIAL SERVICES &amp; DEARNESS HOME</b>	

- cc. M. Daly, Interim Director Information Technology Services
- M. Hayward, Managing Director, Corporate Services and City Treasurer, Chief Financial Officer
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