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To:	CHAIRS AND MEMBERS COMMUNITY & PROTECTIVE SERVICES COMMITTEE FEBRUARY 17, 2016
From:	SANDRA DATARS BERE MANAGING DIRECTOR HOUSING, SOCIAL SERVICES AND DEARNESS HOME
Subject:	IRREGULAR RESULT RFP15-57 - DENTAL PROGRAM ADMINISTRATION – ONTARIO WORKS

RECOMMENDATION

That, on the recommendation of the Managing Director Housing, Social Services and Dearness Home, with the concurrence of the of the Director of Financial Services the following actions **BE TAKEN**, with respect to Dental Program Administration for Ontario Works:

- a) The proposal submission from AccertaClaim Servicorp Inc. for the Dental Program Administration for Ontario Works at annual cost of \$45,000.00 (excluding HST), for a three (3) year period, with the option to renew the contract for two (2) additional one (1) year periods **BE ACCEPTED**; and
- b) Civic Administration **BE AUTHORIZED** to undertake all administrative acts which are necessary in connection with this contract; and
- c) Approvals hereby given **BE CONDITIONAL** upon the Corporation entering into a formal contract or issuing a purchase order relating to the subject matter of this approval.

PREVIOUS REDPORTS PERTINENT TO THIS MATTER

None

BACKGROUND

The purpose of this report is to provide Council with the results of the request for proposal issued for the administration of the Dental Program services administered through Ontario Works.

Context

The Discretionary Benefits Program provides emergency dental benefits to eligible, low income residents of London or those in receipt of social assistance.

Each Consolidated Municipal Service Manager (CMSM) is required to appoint a Plan Administrator to administer the dental program. The Dental Plan Administrator for the Discretionary Benefits program is required to liaise with dentists with regard to: treatment and eligibility; receiving and processing payment requests from dentists; the submission of claims to the City in a pre-approved format for approval and payment; and the provision of statistical reporting outlined by the City on a quarterly and annual basis or as requested. The cost of administering the program is shared between the City of London and the province at 50%.

During 2015, our current provider, AccertaClaim Servicorp, processed close to 11,000 dental claims. 49% of these claims were emergency adult services and 51% were mandatory benefits for children. In January 2016, the province assumed responsibility for managing and processing all mandatory dental benefits for children under the age of 18, under the Healthy Smiles Ontario program.

Procurement Process

An RFP for the Dental Administration for Ontario Works closed December 17, 2015 and only one (1) proposal submission was received which was from the incumbent AccertaClaim Servicorp.

The evaluation team reviewed the submission based on the following criteria:

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- Qualifications and experience;
- Familiarity with the administration of a dental program;
- Success in projects of a similar nature;
- Methodology and milestones;
- References; and
- Fees.

AccertaClaim Servcorp scored unanimously high in all areas and met the City’s terms, conditions and specifications in all areas.

As only one (1) bid was received it is considered an Irregular Result under 19.4 (b) of the Procurement of Goods and Services Policy and is being reported out as such.

Financial Impact

Funding for this procurement is provided in annual operating budgets for the Ontario Works program.

The following table outlines the AccertaClaim Servcorp fee (not including HST) recommended by the evaluation committee:

Term of Contract	Administration Fee	Net Cost to the City of London
Year 1	\$ 45,000.00	\$ 22,500.00
Year 2	\$ 45,000.00	\$ 22,500.00
Year 3	\$ 45,000.00	\$ 22,500.00
Year 4	\$ 45,000.00	\$ 22,500.00

The recommended fee structure will be invoiced as 12 equal monthly payments.

The fee of \$45,000.00 per annum represents a cost savings of \$34,000.00 over the previous contract reflecting the changes to the provincial program whereby children’s emergency dental coverage was moved to Healthy Smiles Ontario. The proposed plan would have AccertaClaim Servcorp administer the emergency adult dental services along with several new aspects of the dental program including: dental verification letters, dentures and emergency pre-determinations. Each of these tasks fit within the proposed contract and represent significant savings in costs compared to our current structure.

Acknowledgements

This report was prepared with the help of Terri Sue Wyatt CPPB, Procurement Officer and Trevor Hinds, Manager, Ontario Works Operations.

RECOMMENDED BY:	REVIEWED & CONCURRED BY:
SANDRA DATARS BERE MANAGING DIRECTOR HOUSING, SOCIAL SERVICES AND DEARNESS HOME	ANNA LISA BARBON DIRECTOR, FINANCIAL SERVICES

- cc: John Freeman, Manager of Purchasing and Supply
 Terri Sue Wyatt, Procurement Officer
 Trevor Hinds, Manager, Ontario Works Operations
 Pina Sauro, Manager, Client Services
 Gail Devito, Financial Business Administrator
 Kyle Murray, Senior Financial Business Administrator