



Committee Report

To:	Warden Hicks and Members of Grey County Council
Committee Date:	October 14, 2021
Subject / Report No:	SSR-CW-07-21
Title:	Service System Manager Consortium Agreement – Employment Services Ontario Transformation
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Reviewed by:	Barb Fedy
Lower Tier(s) Affected:	County-wide initiative
Status:	

Recommendation

1. **That a by-law be brought forward for Council’s consideration authorizing the Warden and Clerk to execute a consortium agreement which includes the Consolidated Municipal Service Managers (CMSM’s) in the Stratford Bruce-Peninsula catchment area including Huron County, Bruce County, Grey County and Stratford with Bruce County acting as the lead; and**
2. **That staff are authorized to complete the Provincial Call for Proposal to be considered for the role of Service System Manager of community-based employment and training services; and**
3. **That any final agreement with the Province be signed by Bruce County as the lead CMSM for the consortium.**

Executive Summary

The steps to transform local employment services across the province include the integration of the Ontario Works (OW) and Ontario Disability Support Program (ODSP) employment services programs and Employment Ontario (EO) into one system. The province is undertaking a procurement process to find organizations (public or private) who will lead the new, integrated program delivery model. The municipal service managers (CMSMs) in Bruce, Grey, Huron and Stratford are working together to be the new organization for our area.

The group were successful in the step one Request for Quotation (RFQ) process. The next step involves the competitive selection of a Service System Manager (SSM) through the Call for Proposal process.

Staff are seeking authorization to enter into a consortium agreement with Stratford, Bruce, and

Huron to pursue the next phase of the Employment Services Transformation through the submission of a Call for Proposal for the Service System Manager role.

Background and Discussion

On June 10, 2021, the expansion of Employment Services Transformation to nine additional catchment areas was announced. One of these areas is the Stratford Bruce-Peninsula Economic Region, which includes Bruce County, Grey County, Huron County, and Stratford-Perth. The first stage in this process was a Request for Qualification (RFQ) submission, which was due July 13, 2021. The purpose of the RFQ was to determine if there are qualified applicants interested in and capable of managing the delivery of employment services within each of the catchment areas. The RFQ was open to any public, not-for-profit, and private sector organization, as well as municipalities and municipal service delivery organizations. The four Consolidated Municipal Services Managers in our region (Stratford-Bruce Peninsula Economic Region) collaboratively submitted an RFQ and were successful in qualifying for the next stage.

The second stage is a Call for Proposal (CFP) process for those in select catchment areas who were deemed qualified following the first round. The successful Social Service Managers (SSM) in these catchment areas will be identified by Spring 2022 with Ministry agreements in place for April 2022 and implementation of services by April 2023. The sequencing of individual catchment areas was based on complexity, competitiveness, and municipal engagement. On September 13th the Province announced that the Stratford-Bruce Peninsula Economic region was identified as lower complexity and agreements for Employment Service Transformation will be in place for April 2022. The competitive process for the remaining catchments with higher levels of complexity such as Toronto and the two northern catchments will occur in 2023.

New Employment Service System Model

As indicated in previous reports, in February 2019, the Province announced its plans to transform employment services to ensure job seekers and businesses are provided with the best possible employment services. Led by the Ministry of Labour Training and Skills Development (MLTSD), the following are among the steps to transformation:

- Integration of Ontario Works (OW) and Ontario Disability Support Plan (ODSP) employment services programs into a transformed Employment Ontario (EO) to create one system;
- Selection of Service System Managers (SSM) through a competitive process open to any public, not-for-profit, and private sector organization, as well as Consolidated Municipal Service Managers and District Social Services Administration Boards;
- Employment services are transformed to work more effectively with other government services, including health and education and social services.

The vision for the new system is one that is locally responsive, efficient, and effective in delivering sustained employment outcomes for all individuals based on their needs. The primary goals behind the transformation are to reduce fragmentation and duplication, improve client service, increase accountability, and achieve better outcomes for all job seekers and area businesses. At full system maturity, the SSM would be responsible for overseeing a competitive employment and training system.

MLTSD identified 15 regional catchment areas for SSM implementation across the Province.

For those in phase one of the process, which includes the catchment area of Stratford-Bruce Peninsula Economic Region, as announced on September 13th.

The following schedule has been outlined:

- Call for Proposal Release Date - September 14, 2021
- CFP Closing Date – November 5, 2021
- Formalizing agreements with the new Service System Manager – April 2022
- Implementation of the new system – April 2023

Legal and Legislated Requirements

Ministry of Labour Training and Skills Development (MLTSD) has defined a Consortium and included parameters as “a group of two or more organizations that have entered into a written agreement to jointly apply to become an SSM. One organization within the Consortium must act as the lead CFP Applicant that enters into a transfer payment agreement with the ministry. As the legal entity that has entered into the agreement with the ministry, the lead CFP Applicant is responsible for ensuring that the requirements of the agreement are met, including performance, distributing funding, data sharing and continuity of service delivery”.

The draft Consortium Agreement has been prepared, allowing for future amendments. The Lead Applicant must submit a copy of the contractual agreement between Consortium members to the ministry prior to executing the transfer payment agreement with the ministry.

Financial and Resource Implications

There is no direct financial impact to complete the consortium agreement and submit the call for proposal. In 2023, Grey County will no longer receive funding to offer employment services, as they will be offered through the successful Service System Manager. At this time, the exact amount of funding to be discontinued is unclear. The provincial administrative support for Ontario Works is already frozen at 2018 levels resulting in a levy impact to Grey County projected to be about \$140,000 in 2022.

Under the Employment Services Transformation model, the estimated annual budget allocation and client volumes for the Stratford-Bruce Peninsula economic region is \$12.7 million with an estimated annual client volume of 4,850. The core components of funding model include:

Operational Funding: Direct delivery and/or subcontracted delivery of the components of the project, including supporting administration, utilities, and other operational costs for service delivery.

Performance-Based Funding: Performance-based funding payments to SSMs will occur when clients meet certain employment parameters at checkpoints that occur as part of the client monitoring process.

Employment related Financial Supports for Job Seekers and Employers: Provided to support clients and employers by addressing temporary financial barriers to participation

in employment or employment related activities.

The Transfer Payment Agreement (TPA) term for the SSM will be initially three years with two additional one-year terms possible (total potential of five years).

There is an expectation by the province that the Service System Manager will take on an element of risk. Some portions of the funding to provide the service are based on meeting targets for getting people into employment and ensuring that they maintain this employment. Failure to meet the targets will result in a smaller transfer payment or clawbacks. This introduces uncertainty into the budgeting process and the potential for budget shortfalls that would need to be made up from the levy as the county's labour costs are fixed and not able to be quickly adjusted to align with performance outcomes.

Relevant Consultation

- Internal
 - Grey County Economic Development
- External
 - Bruce County, Huron County, and City of Stratford staff and various community agencies providing employment services.

Appendices and Attachments

[Request for Qualification 2021 - Employment Services Transformation](#)

[Draft Consortium Agreement](#)

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