

**Ministry of Training, Colleges and Universities**  
**Invitation to Market Sounding**  
**For**  
**Employment Services Transformation**

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**Request No.: Tender# 11235**

**Issued:** April 18, 2019

**Response Deadline:** May 8 at 5:00pm (Toronto time)

**Market Day Registration Deadline:** May 8 at 5:00pm (Toronto time)

**Market Day:** May 15 and 16, 2019

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# Market Sounding Document

## 1. Introduction

On February 12, 2019, as part of making Ontario open for business, the government announced its plans to transform employment services to ensure job seekers and businesses are provided with the best possible employment services. The Ministry of Training, Colleges and Universities (“TCU” or the “Ministry”) is initiating this early engagement, called a Market Sounding Exercise (MSE), with the vendor community to inform this process. The MSE includes this Market Sounding Document (MSD) and the Market Day on May 15 and 16, 2019, both of which will help the Ministry determine the market capacity, capability, readiness, and the level of interest to provide a solution or solutions to a proposed set of requirements as part of an innovative competitive opportunity.

The MSE will inform the competitive process. Participation in this market engagement process is encouraged, but it is not mandatory. There will be no shortlisting of potential vendors for the purposes of undertaking any future work. Similarly, participation in this process is not a condition or pre-requisite for participation in any potential subsequent competitive opportunities.

As part of the Employment Services Transformation, the Ministry will undertake a phased system transition that will reset current roles and responsibilities to better enable a system built on accountability and outcomes. The transformation aims to integrate employment programs for Ontario Works and the Ontario Disability Support Program (ODSP) into a transformed Employment Ontario (EO) to create one system. The Ministry, as system steward, will continue to manage the system, including setting priorities, and establishing performance outcomes.

In the new service delivery model, the Ministry will hold contracts with newly created Service System Managers (SSMs), third party organizations that will be responsible for managing integrated employment service delivery and for operating and achieving employment outcomes for a wide range of clients in defined catchment area(s) according to the outcomes framework set by the government.

The Ministry will not have a direct relationship with service providers (as it currently does). Instead the Ministry will have a direct relationship with SSMs, which will in turn manage relationships with individual service providers in their catchment area(s).

### 1.1 Market Sounding Exercise Objectives

The Ministry wishes to engage with potential vendors to gather feedback and inform the thinking and potential approach to a future system for employment and training. The objective of this MSE is to solicit feedback and input to:

- Generate interest from the vendor community and give vendors the opportunity to identify ways to innovate in the delivery of employment services;
- Provide a forum to facilitate partnerships among the vendor community;
- Test the depth of market interest for, and promote competition for a new delivery model that will the employment services system more effectively to meet local needs of job seekers

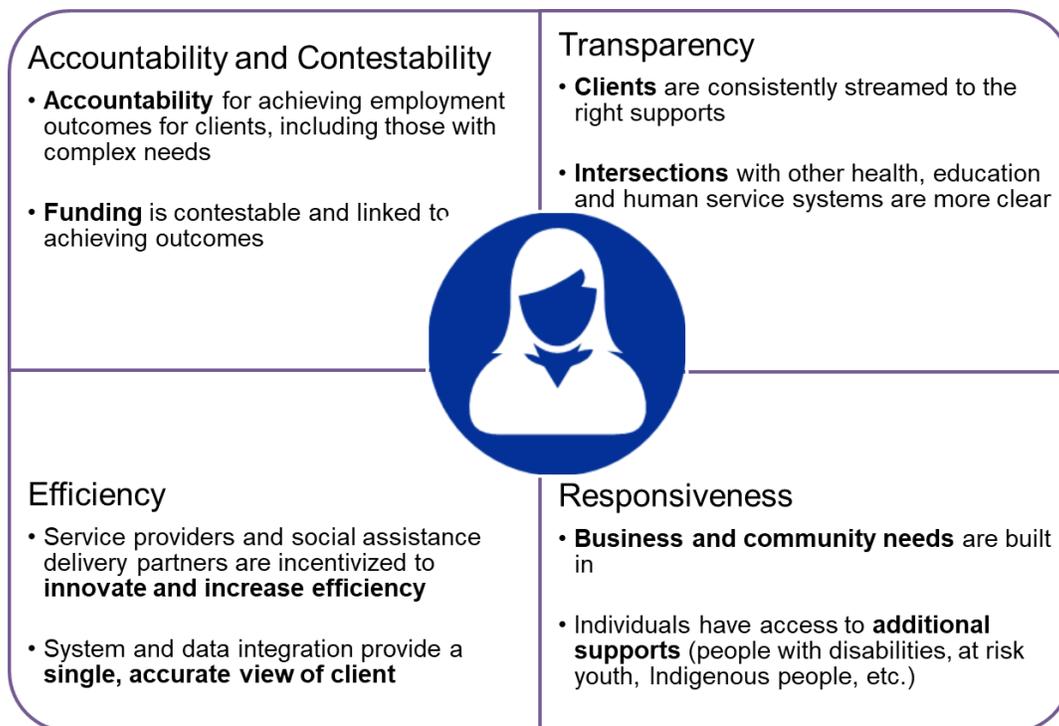
(including people on social assistance), businesses and communities.

- Seek feedback on how to effectively provide employment services to people with disabilities who have complex barriers and high support needs.
- Seek feedback on serving clients who may have specialized needs or circumstances such as Francophone and Indigenous clients.
- Help determine the conditions that would attract vendors, including the proposed approach to defining catchment areas, how to incent coverage across the province and the scope of service function (e.g., job search, local planning) and flexibility to make changes that potential SSMs would expect to use to achieve outcomes.

SSMs will ultimately be selected based on those best positioned to manage the employment services system in their respective catchment area(s) and deliver results. The competitive process to become an SSM will be open to any public, not-for-profit and private sector organization, as well as consolidated municipal service managers (CMSM) and district social services board service managers (DSSAB). This MSE will inform the development of that competitive process.

## 1.2 Vision

A locally responsive employment services system that delivers sustained employment outcomes for all individuals and businesses, based on their needs.



A primary goal behind the employment services transformation is to reduce fragmentation and duplication between provincial employment systems to improve client service, increase accountability, and achieve better outcomes for all job seekers and employers. Changes to the

delivery model will also support local responsiveness and system efficiency.

Individuals with higher or unique support needs including social assistance clients, people with disabilities, Indigenous and Francophone clients, need access to timely services that better meet their needs.

To support the transformation, an integrated case management system will be built and it is envisioned to support a seamless client experience designed to ensure there is 'no wrong door' into the provincial employment services system.

Through the transformation of employment services, the Ministry proposes to achieve the following outcomes:

#### **Greater Labour Force Participation**

- Increased number of Ontarians completing training or employment programs
- More jobseekers, including those on social assistance and people with disabilities, obtain quality and sustainable employment

#### **Locally Driven Service**

- Services delivered meet the needs of the local community
- Promising practices for local programs are shared and implemented

#### **Integrated and Coordinated Service Delivery**

- Services are sequenced based on individual need
- Ontarians experience excellent quality of service
- Fewer individuals return for services without a cause

#### **Aligned Training Services to Local Business Needs**

- Local collaboration (employers, colleges, municipalities and others) occurs to improve the local talent supply.
- Employers' capacity improves because employees have the right skills.

### **1.2.1 Validation of Transformation Components**

The following proposed components of the integrated and transformed employment service system will be validated through this Market Sounding Exercise:

#### **1. Redefined Roles**

- Redefined roles of the Ministry, the new service system manager and social assistance delivery partners.

#### **2. Program Realignment**

- Integration of employment-related program elements from the social assistance system.

#### **3. Service Targeting**

- Service targeting is a core component of a future integrated employment services system and will provide a common way of assessing and grouping incoming clients into job seeker types based on their needs.
- Job seeker types may be defined by various sources of income and/or demographic indicators (e.g., Employment Insurance (EI) eligible, proximity to labour market, social assistance recipients, people with disabilities, Indigenous people, youth, immigrants, etc.).

- Service targeting will be designed to target resources to clients who could most benefit from more intensive employment services while facilitating less-intensive services and supports to individuals who can more easily transition to employment.

#### **4. Digital Delivery**

- The government is exploring an opportunity for improved access to services by offering a single client-centered online channel to support job seekers in their employment journey. The government is interested in the potential for a cost effective digital channel to support expanded access when delivering services for job seekers.

#### **5. Approach to Outcomes-Based Funding**

- A priority of the transformation is the delivery of services that are cost effective, results driven and work for Ontarians.
- Competition and performance management will be a core element of the system to drive service innovation and strengthen accountability in the system.
- Funding for service system managers may also include operating, milestone, outcomes and flow-through payments.

#### **6. Catchment Areas**

- The Ministry is considering using Statistics Canada Economic Regions to establish its service system manager catchment areas, except in higher density areas where Census Division boundaries would be used.
- Service system managers will be responsible for the delivery of employment services in a given catchment area / service zone<sup>1</sup>.
- A service system manager could be responsible for delivery in more than one catchment area/service zone, depending on the results of the competitive process, with parameters to be determined by the Ministry.

#### **7. Scope of Authority**

- At full system maturity, service system managers would be responsible for overseeing a locally responsive and competitive employment and training system.
- In order to balance service system managers' autonomy, local network stability and long-term performance, consideration is being given to ensure that a proportion of the delivery network includes third party service providers.
- Service system management may include planning, design, and selection of services/programs required to achieve employment outcomes for all jobseekers and employers within their catchment area.

#### **8. Scope of Transformation**

- Prototypes are geographic areas where the new service system model for employment services will be tested and implemented. For prototypes, consideration is being given to the functions related to: job search and placement services, case management and service planning, and specialized services and supports for all job seekers including people with disabilities. These are currently components of the following programs:

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<sup>1</sup> First Nations communities are not in scope for service provision during the prototype phase while the Province engages First Nations communities. However, Indigenous and First Nations partners may wish to participate in the vendor engagement and competitive process if interested in service system managing and/or delivering services, during the prototype phase, outside of First Nations communities.

- EO Employment Services, Youth Job Connection, Supported Employment, and Ontario Employment Assistance Services
- Ontario Works Employment Assistance; and
- ODSP Employment Supports.
- The Ministry is also seeking feedback on the inclusion of other key functions in the employment and training system that may be needed to achieve outcomes, such as essential skills training and supports, found in the Literacy and Basic Skills program and Ontario Works Employment Assistance.
- The Province's requirements for accessibility will also factor into the system transformation including serving people with disabilities and ensuring services and physical locations are accessible.
- Vendors will be able to provide input on the scope of functions that would impact their interest, overall commercial viability and ability to succeed within the model.

## 9. French Language Services (FLSA)

- The [French Language Services Act](#) (FLSA) guarantees an individual's right to receive services in French from Government of Ontario ministries. It is, therefore, expected that service system managers will deliver employment services in French where there is significant demand.

## 1.3 Overview: Employment Integration and Employment Services System Transformation

The government plans to transform employment services to ensure job seekers and businesses are provided with the best possible employment services. The current system is considered unnecessarily complex, and not sufficiently focused on getting the best results for job seekers and employers. As such, the government announced plans to transform employment services by:

- Introducing a new service delivery model to manage the employment service system more effectively to meet the needs of job seekers, businesses and communities through the introduction of SSMs. The selection of service system managers will be determined through a new, competitive process and open to any public, not-for-profit or private sector organization, including CMSMs and DSSABs.
- Integrating employment programs for Ontario Works and the ODSP into EO to create one efficient, cost-effective system that is easy to use, helps all job seekers and better supports employers.<sup>2</sup>
- Ensuring employment services are working more effectively with other government services, including social assistance, so when people find themselves facing barriers to employment, or in a precarious employment situation, they can get the help they need.
- Implementing changes to Ontario's employment services gradually, starting with three prototypes in fall 2019.

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<sup>2</sup> Given lessons learned in other jurisdictions in serving people with disabilities who require specialized services, further consultation with service users, including people with disabilities and validation with vendors is required to ensure that the needs of these clients can be met.

To achieve success and create a cost-efficient, high-quality, and results-driven employment system that works for Ontarians no matter where they live, the government announced plans to engage with key Ministry stakeholders to help inform the next steps of this transformation..

### 1.3.1 Overview: Employment Ontario

TCU is responsible for EO, the Government of Ontario’s (“Province”) comprehensive suite of over 30 programs and services, designed to assist everyone from employed workers seeking skills upgrades to unemployed individuals in need of basic literacy training, as well as employers and businesses looking to develop their workforce to support their current and prospective employees. The vision of EO is to deliver integrated, customer-focused and effective employment and training programs and services to advance Ontario’s economic advantage.

The Ministry invests approximately \$1 billion annually in EO employment and training, apprenticeship, labour market and adult education programs and services. These programs and services are either delivered directly by the government or through third-party organizations. EO helps approximately 1 million clients annually, including over 62,000 employers across Ontario.

EO programs and services are delivered through a network of employment service providers, literacy service providers, Ministry local field offices and apprenticeship training delivery agents. Services are tailored to meet individual needs and may be provided one-on-one and/or in a group format.

**Table: EO Suite of Programs and Services**

Employment Services & Supports	Apprenticeship
<ul style="list-style-type: none"> <li>• Employment Service</li> <li>• Youth Job Connection / Youth Job Connection Summer</li> <li>• Ontario Employment Assistance Services</li> <li>• Ontario Job Creation Partnerships</li> <li>• Supported Employment</li> </ul>	<ul style="list-style-type: none"> <li>• Apprenticeship In School Training</li> <li>• Examination Preparation Supports</li> <li>• Apprenticeship Income Support</li> <li>• Pre-Apprenticeship Training Program</li> <li>• Ontario Youth Apprenticeship Program</li> <li>• Co-op Diploma Apprenticeship Program</li> <li>• Completion Bonus</li> <li>• Apprentice Completion Bonus in Non-Red Seal Trades</li> <li>• Support to Non-Employment Insurance Apprentices During In-School Training</li> <li>• Loans for Tools</li> <li>• Apprenticeship Enhancement Fund</li> <li>• Apprenticeship Employer Signing Bonus</li> <li>• Apprenticeship Scholarship Modular Training</li> </ul>

Skills Training	Adult Education Literacy
<ul style="list-style-type: none"> <li>• Second Career</li> <li>• Canada-Ontario Job Grant</li> <li>• SkillsAdvance Ontario pilot</li> </ul>	<ul style="list-style-type: none"> <li>• Literacy and Basic Skills</li> <li>• Ontario Bridging Participant Assistance Program</li> <li>• Ontario Bridge Training Program</li> </ul>
<p style="text-align: center;"><b>Labour Market Development &amp; System Features</b></p>	
<ul style="list-style-type: none"> <li>• Rapid Re-Employment and Training Service</li> <li>• Adjustment Advisory Program</li> <li>• Ontario Labour Market Partnerships</li> <li>• Sector Partnership Planning Grant</li> <li>• Local Boards</li> <li>• Local Employment Planning Councils (pilots)</li> <li>• Ontario Human Capital Research &amp; Innovation Fund</li> </ul>	

In 2017-18, EO programs helped<sup>3</sup>:

- Over 650,000 clients through Employment Service (over 185,000 assisted and over 475,000 unassisted)
- Over 12,000 youth participants in the Youth Job Connection program
- Over 6,000 youth participants in the Youth Job Connect: Summer program
- Over 5,000 people through Second Career funding
- Over 7,000 through Ontario Employment Assistance Services
- Over 44,000 learners through the Literacy and Basic Skills program
- Over 3,700 employers and 24,000 employees through the Canada-Ontario Job Grant.

Social assistance clients are also served within the EO system, with more substantial participation in Literacy and Basic Skills and Employment Service than other EO programs. In 2017-18, there were 29,268 Ontario Works clients and 6,219 ODSP clients in Employment Service who achieved their employment plan goal. In Literacy and Basic Skills, 2,780 ODSP clients and 5,980 Ontario Works clients went on to further education and training after participating in the program.

More information on EO programs and outcomes can be found on the [Employment Ontario Partners' Gateway](#), the [EO webpage](#), and the [EO Geo Hub](#).

### 1.3.2 Ontario Works and ODSP Overview

In Ontario, social assistance is provided by the Ministry of Children, Community and Social Services (MCCSS) under two programs:

- Ontario Works – for unemployed or underemployed people in temporary financial need;

<sup>3</sup> Note that client data are non-discrete; there might be some overlap in client participation across programming. Not all programs and their related numbers have been included in this list.

- ODSP – provides income and employment supports to eligible people with disabilities in financial need, and their families

In 2017-18, the province spent \$8.1 billion to provide social assistance to approximately 610,000 individuals as well as to their qualifying family members for a total of 950,000 people a month, on average. Of this total, approximately 60% of these individuals received assistance through the ODSP and 40% received assistance through Ontario Works.

## **Ontario Works**

### Services and Supports

The Ontario Works program offers the following assistance through Ontario Works delivery agents:

1. Employment Assistance - intended to help people stabilize their lives, remove barriers to working, and develop necessary and relevant skills that will lead to jobs and greater independence and inclusion, Ontario Works Employment Assistance includes activities such as:
  - a. job search support services;
  - b. employment information sessions;
  - c. community participation activities that allow people to improve their employability;
  - d. employment placement and job retention services;
  - e. supports for self-employment development;
  - f. referrals to basic education;
  - g. Learning, Earning and Parenting (LEAP) program for young parents; and,
  - h. literacy and job-specific skills training.

Employment assistance activities depend on the experience, skills, circumstances and needs of the individual, and the amount of time a participant needs to engage in activities will vary.

In 2017-18, over 200,000 beneficiaries participated in Ontario Works-Employment Assistance.

2. Income Assistance:
  - a. An amount for basic needs to help with the cost of food, clothing and other necessary personal items. The amount provided is based on family size and composition;
  - b. An amount for shelter based on actual costs up to a maximum set according to family size; and
  - c. Additional allowances to those who qualify, such as: people who live in northern Ontario; are of advanced age; and those who require a special diet due to a medical condition.
3. Health and non-health related benefits:
  - a. Mandatory and non-mandatory benefits, such as prescription drug coverage, medical travel and transportation and vision care for children.
  - b. Discretionary funding - an administrator may also provide funding to cover a range of costs and services that are not otherwise covered including adult dental and vision care, non-medical travel and funerals and burials.
4. Emergency Assistance for people in crisis situations (e.g., house fire, floods) who are

not receiving social assistance.

Ontario Works recipients are required to participate in employment assistance activities as a condition of their receiving assistance. All Ontario Works applicants, their spouses and any dependent adults included in the benefit unit sign a Participation Agreement (PA). A PA identifies the approved employment assistance activities the applicant or participant will undertake to prepare for, find and maintain employment. The PA may identify restrictions on participation or, where any degree of participation is impractical, a temporary deferral of participation requirements.

In addition, individuals may also access life stabilization services, such as housing supports, child care, and mental health and addiction services, to support greater independence and the ability to participate in employment activities.

Eligibility details can be found [on the Ontario Works page](#).

People in immediate financial need and applying to the ODSP may first receive Ontario Works pending an ODSP eligibility decision, with approximately 70% of ODSP applicants entering the system through Ontario Works.

In addition, people receiving ODSP can access the following through Ontario Works:

- Employment services (mandatory for non-disabled spouses and adult children without care-giving responsibilities; voluntary for people with disabilities) and
- Discretionary benefits (funding to cover a range of costs and services that are not otherwise covered including, but not limited to: non-medical travel, funerals and burials and other items as approved).

## **Ontario Disability Support Program**

ODSP is a legislated program governed by the *Ontario Disability Support Program Act, 1997* and regulation.

ODSP income support is directly delivered by MCCSS staff in nine regions and 47 local offices and is 100% provincially funded.

### Income Support:

ODSP income support provides financial assistance to eligible people based on family size, make-up and other factors. Assistance is provided in separate amounts for:

- **Basic Needs:** Helps with the cost of food, clothing and other necessary personal items and expenses.
- **Shelter Allowance:** Helps to pay for shelter costs, such as a mortgage or rent; and shelter-related costs, such as property taxes, utilities and home insurance premiums.
- **Special purposes allowances:** Includes a special diet allowance, pregnancy/breast-feeding nutritional allowance and remote communities allowance
- **Employment, health** (e.g., prescription drugs, dental and vision care) **and disability-related benefits**

More information on ODSP eligibility can be found [on the MCCSS site](#).

### Employment Supports

ODSP employment supports helps people with disabilities:

- Become employment-ready
- Find and keep a job
- Advance their careers
- Start their own business

ODSP employment supports services include:

- Employability assessment (e.g., assess job readiness, refer to community services for life stabilization supports)
- Employment readiness (e.g., job preparation such as resume writing and interviewing skills, life skills)
- Placement services (e.g., job search, job development and placement, job coaching, self-employment supports)
- Retention services (e.g., job coaching, on-the-job supports, job accommodations, job monitoring and interventions for individuals and employers)
- Work-related technical aids (e.g., funding for assistive devices, interpreters)

Eligible employment supports clients must be 16 years of age and older, and:

- The person has a physical or mental impairment that is continuous or recurring, lasting one year or more and presents a substantial barrier to employment
- The person intends to and is ready to prepare for, accept and maintain competitive employment
- The person is a resident of Ontario and legally entitled to work in Canada

Ontario Works clients are not eligible to participate in ODSP employment supports.

Participation is voluntary and a person with a disability does not need to be receiving ODSP income support to participate in ODSP employment supports.

In 2017-18, MCCSS spent \$39M and served 24,808 people with disabilities in ODSP employment supports.

### **1.3.3 Employment Ontario: Current State**

EO programs and services are delivered through a network of employment service providers, literacy service providers, Ministry local field offices and apprenticeship training delivery agents. Services are tailored to meet individual needs and may be provided one-on-one and/or in a group format.

Clients/individuals can access EO programs and services:

- in person at Employment Service sites, Youth Job Connect sites or TCU local offices across the province, through Literacy sites, and at apprenticeship training delivery sites.
- over the phone: via a toll-free EO Contact Centre
- online, via EO Live Chat or via a multilingual website to:
  - find information on employment services and training programs
  - find enhanced information and referral services in communities across the province
  - access the EO Self-Service (a pre-screening for program eligibility and matching with service providers).

- through the Literacy and Basic Skills e-Channel service, which offers web-based learning and provides greater flexibility and access to literacy services for those who are working, live in remote/rural communities, have disabilities or accessibility needs, etc.

### **1.3.4 EO Service Delivery Landscape**

EO has several service delivery networks largely made up of third-party service providers, including: municipalities, public colleges, school boards, Indigenous organizations and not-for-profit organizations. Service delivery networks within EO consist of 169 service providers at over 300 Employment Service sites, over 200 Literacy and Basic Skills providers at over 280 delivery sites and 65 apprenticeship training delivery agents.

TCU divides service delivery planning and management of its EO programs into four regions (Central, Western, Eastern and Northern). Each region contains a network of Ministry local offices that are responsible for a range of delivery planning and management activities, including:

#### **Community Service Delivery Planning:**

- Community service plan – develops service delivery “footprints” for EO programs, which require establishing the number and locations of service delivery sites and the level of activity that will be funded at each delivery site, based on labour market information, demographic data and other local intelligence.
- Ministry regional and local offices are also responsible for selecting service providers to deliver EO programs.

#### **Service Delivery Management:**

- Business planning – coordinates planning activities with service delivery providers and individual delivery sites and reviews business plans to ensure they meet program and performance requirements. Regional and local offices also establish funding levels for service delivery sites and develop and manage transfer payment agreements with service providers.
- Service provider performance – monitoring of service provider delivery against program performance expectations and outcomes and making evidence-based decisions about sustainable funding for service delivery sites.
- Financial management – manages program-specific financial resources which includes in-year forecasting, and adjustment and financial monitoring.

### **1.3.5 Social Assistance Employment Service Delivery Landscape**

#### **Ontario Works**

The Province sets the legislative, regulatory and policy framework for Ontario Works.

- The Minister is accountable for the Act and its regulations and is responsible for designating delivery partners.
- MCCSS officials oversee the administration of the Act by delivery partners, manage the policy framework and program funding, approve the appointment of local Administrators and provide advice to the Minister on policy and operations.

Ontario Works is delivered locally by 149 delivery partners made up of 37 CMSMs, 10 DSSABs and 102 First Nations delivery partners, 71 of which deliver both the financial assistance and employment assistance components of the program.

Ontario Works delivery partners develop service plans that articulate strategies and approaches to delivering Ontario Works to:

- achieve improved employment outcomes for Ontario Works participants;
- provide a full range of employment assistance activities that support increased employability; and
- ensure that the program is delivered in accordance with program legislation, regulations and policy.

Ontario Works Employment Assistance activities are tied to improving two measured employment outcomes:

- Earnings – helping people achieve financial independence; and,
- Employment – helping people find and keep jobs.

Service contracts are negotiated, approved and managed locally by MCCSS Regional Offices that oversee program delivery.

Employment Assistance activities are offered directly by Ontario Works delivery partners and/or are contracted for delivery by third-party providers. Ontario Works participants may be referred by an Ontario Works caseworker to EO for direct support in finding employment and fulfilling their participation requirements.

Funding for employment assistance activities is provided to delivery partners through a Program Delivery Funding (PDF) allocation that supports direct administration costs and employment assistance activities. The single allocation comprises funding with two separate cost sharing arrangements, as follows:

- 2/3 of the total funding is shared 50/50 between municipalities/First Nations and the province; and
- 1/3 of the total funding is 100% provincially funded.

### **Ontario Disability Support Program**

ODSP employment supports are delivered by a network of approximately 150 community-based providers. ODSP employment supports is provincially funded and cost-shared with the federal government under the Workforce Development Agreement.

Employment supports are funded through the MCCSS's employment assistance budget and allocated to third-party service providers based on negotiated annual job placement and retention targets. Service contracts are managed by MCCSS's nine regional offices.

ODSP employment supports service providers are funded based on their outcomes in supporting people to find and keep a job, for a total of up to three years in support. There are three funding components:

- **Job placement:** \$7,000 for successfully placing a person in a job for 13 weeks, of which \$1,000 is paid after 6 weeks
- **Job retention and advancement:** monthly job retention payments for each month a person remains employed (up to 33 months)

- **Exceptional work-related disability supports:** funding for clients who require work-related technical aids is provided to service providers as part of their funding allocation.

ODSP employment supports service providers include a range of organizations (e.g., for-profit and non-profit, large and small, urban and rural).

- Some serve all disability types while others primarily serve specific disability groups
- Some have contracts with only ODSP employment supports, while others also have contracts with Ontario Works, Employment Ontario, and/or Service Canada.

ODSP employment supports service providers are:

- Responsible for ensuring that goods and services are high quality and employment supports are barrier-free.
- Expected to work collaboratively and form partnerships with other local providers or employment programs to maximize access to the full range of employment and “wrap-around” community services required by clients to get and keep a job.
- Required to ensure all forms are properly completed, maintain proper client files and records for compliance purposes, and provide regional offices with reports and information as required.

### 1.3.6 Challenges with Parallel Provincial Employment Systems

The existence of three separate employment systems (Employment Ontario, Ontario Works-Employment Assistance and ODSP Employment Supports) has created challenges for seamless access to services and the effective design, planning, delivery and management of employment and training services across the province:

#### Systems are not Achieving Intended Employment Outcomes

- The 2016 Auditor General of Ontario’s report on EO noted that service provider funding is based on activities, not results, and performance is not related to longer-term outcomes. A follow-up Auditor General report in 2018 noted that programs were not effectively helping people find and keep full-time jobs and there is a lack of labour market information.
- In the 2018 Auditor General of Ontario’s report on Ontario Works, the Auditor found that MCCSS service contracts lack mechanisms to hold service managers accountable for program delivery, or the achievement of outcomes.
- Similar to Employment Ontario, the Auditor also found that MCCSS lacked outcomes targets and performance indicators to improve the effectiveness of Ontario Works.
- The Auditor also found that in each of the last five years, the Ontario Works program has helped only 10% to 13% of recipients to successfully find employment and leave the program. In addition, the Auditor General found that the MCCSS IT system “does not have the functionality to allow the recording and tracking of Ontario Works clients’ skills, barriers to employment or referrals to training or community services in a way that would enable service managers to track the progress of clients towards obtaining employment.”<sup>4</sup>

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<sup>4</sup> More information on Ontario Works in the [Auditor General of Ontario’s report](#) is available.

## **Inefficient Service Delivery Administration**

- A line-by-line Review of Ontario Government Expenditures between 2012-03 to 2017-18 conducted in 2018 by Ernst & Young LLP found that there are almost 1,000 transfer payment agreements funded by EO and 47 CMSM/DSSABs providing employment assistance for social assistance clients, each delivering and/or subcontracting services, with unclear results<sup>5</sup>.

## **Three Systems Create Duplication and Inconsistency**

- EO programs, Ontario Works Employment Assistance and ODSP Employment Supports were designed at different times to meet different policy objectives.
- In addition, delivery of employment and training services across multiple delivery networks has made it difficult for service providers to build an awareness of all available services for individuals they serve and to make appropriate referrals.
- Finally, the lack of information sharing and consistent approaches to assessing client needs often results in people looking for support and having to retell their story to each service provider they meet.

## **Service Delivery Planning is not Coordinated**

- Service delivery planning between the three employment systems is inconsistent and coordinated across the province, creating challenges in each system for effectively allocating funding and services within communities.

## **Siloed Delivery and Assessment System**

- Employment service networks across Ontario operate in isolation: services are overlapping with accountabilities dispersed across multiple entities (ministries and municipal governments).

## **1.4 Purpose of Market Sounding Exercise**

The Ministry wishes to engage in an open dialogue to bring vendor perspectives to its early-thinking for a future competitive process to improve employment and training services system management and encourages vendors to participate in this exercise. To achieve tangible results through meaningful input, the Ministry will conduct a Market Day (see section 3.4 Market Day Format) and solicit written responses to questions (see section 5).

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<sup>5</sup> More information is available in the [Ernst and Young report](#).

## **2. Market Sounding: The Process**

### **2.1 Why “Sound” the Market**

Ontario is adopting a market sounding approach as part of its plan to transform the employment services system. The objective of engaging with the market is for the Ministry to refine its proposed system features, including a proposed employment services system design, program mix and more. It is also intended to help the Province determine which communities to propose for prototypes. This vendor engagement will inform the Ministry’s system design, validate parameters and encourage participation in a future competitive process that will select SSMs in Ontario’s new service delivery model.

In the new service delivery model, service providers will be accountable to an SSM, who will then be accountable to the Ministry. The focus of this MSE is to engage with the market of potential vendors of service system management.

Vendor engagement will enable the Ministry to determine the interest and capacity of potential vendors to participate as service system managers. The vendor engagement will also help to inform the Ministry of the potential need for capacity support for vendors to encourage participation.

In return, the Market Day is an opportunity for the vendor community to gain a sound understanding of the Ministry’s core business needs and to provide feedback based on the information provided. The Market Day will also serve to test vendor interest in the service system manager role, the depth of the market (in terms of vendor capacity to manage the new system), and encourage and determine capacity for partnership building. In addition, those taking part in Market Day will be given the opportunity to showcase their organization’s strengths and features in relation to the new service delivery model.

### **2.2 Note to Potential Respondents**

Any response and/or participation by any vendor(s) in this MSE shall not create a legal or binding relationship or obligation regarding any good or service.

Refer to section 4 for the Terms of Reference that apply to all respondents of this MSE.

### **2.3 What Respondents Can Expect from the Ministry**

The Ministry has provided a suggested catchment area map ([Appendix A](#)) and [EO program data](#) to help support and inform vendor submissions.

The Ministry may determine, at its discretion, to incorporate any ideas, information or content provided by a vendor(s) into the future state competitive process and/or solution.

### **2.4 Next Steps**

After Market Day, the Ministry may choose to conduct further market engagement activities to ensure the best possible description and outcome(s) of the desired solution. Future dialogue with the marketplace may include but is not limited to: open discussions, facilitated workshops, seminars, presentations and/or one-on-one meetings.

## 3. Response and Registration Process

### 3.1 Timelines

Market Sounding Document Release:	April 18, 2019
Deadline for Respondents to Submit Questions about the Market Sounding Document:	May 2, 2019 at 5:00pm (Toronto time)
Respondent Submission and Registration Deadline:	May 8, 2019 at 5:00pm (Toronto time)
Market Day:	May 15, 2019
One-on-One Meetings:	May 15 & 16, 2019

### 3.2 Questions from Respondents

Respondents are encouraged to use the “Messages” function on the [Ontario Tenders Portal \(OTP\)](#) to submit their questions during this process. Questions regarding the Market Sounding Exercise may also be directed by email to the following Ministry Contact:

Name: Doris Poon  
Email: [doris.poon@ontario.ca](mailto:doris.poon@ontario.ca)

Questions should be submitted no later than **5:00pm (Toronto time) on May 2, 2019**. Responses may be issued and/or incorporated into the Market Day agenda as the Ministry deems necessary.

Please email [estransformation@ontario.ca](mailto:estransformation@ontario.ca) for general questions about the employment service transformation.

### 3.3 Submission Instructions

Responses to this MSD must be submitted using the fillable fields on the [OTP](#) under reference #TENDER 11235. Upon receipt of your Market Day submission, vendors will be able to review data for catchment areas.<sup>6</sup>

By submitting a response to this Market Sounding Document, the respondent will be included in the Market Day activities if the respondent wishes to participate.

All submissions must include responses to the questions referenced in Section 1.3 in the Qualification Envelop on [OTP](#).

### 3.4 Market Day Format

On May 15, 2019 in support of this Market Sounding Exercise, the Ministry will host a Market Day for interested vendors. The Market Day is organized into two parts\*: (1) an open information session with a Networking Opportunity/Presentation session and (2) one-on-one meetings.

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<sup>6</sup> Information provided for and at the Market Day will be made publicly available following the event.

This Market Day is intended to be an open forum allowing the Ministry: to communicate its requirements at a high level; for the vendor community to ask questions and seek information to gain a sound understanding of the core business needs of the Ministry; and for the vendor community to provide feedback based on the information provided.

*\* This format may be subject to change depending on such factors as vendor interest and capacity. It is in the Ministry's sole discretion to revise the format of the Market Day.*

*\*\* The event will be held in an accessible venue and accommodations made on request.*

### **3.4.1 Open Information Session**

The Ministry will present details on its plans to transform the EO system, and provide additional insight with regards to the objectives. Vendors are encouraged to use this platform to ask general questions about the project and to present to the group how they may add value to the Ministry's undertaking.

### **3.4.2 One-on-One Meetings**

One-on-one meetings are bilateral meetings which are non-binding and non-evaluative, between the Ministry (and its representatives and advisors) and individual vendors. As part of the MSE process, the Ministry will convene one-on-one sessions with individual vendors. The objective of the one-on-one meetings is to allow for two-way communication with each registered vendor on themes/outcomes as detailed in this document.

To participate, vendors must register on the [OTP](#) and prepare an optional short presentation on at least one of the themes below:

- Catchment Areas
- Service System Manager Definition
- Service System Manager Selection Process (Vendor Requirements)
- Service Delivery Model and Service Provider Management

Meetings will be up to one hour in duration. To ensure fairness and equity, Ministry-provided answers to any questions posed by vendors will be supplied to all respondents.

Depending on the number of interested vendors that sign up for one-on-one meetings, the Ministry reserves the right to conduct these meetings on subsequent days after the Market Day and reserves at its option to not conduct this portion of the engagement.

Although it is the Ministry's intent to provide all interested vendors with an equal opportunity for one-on-one sessions; time constraints may limit the sessions that can be successfully facilitated. Based on the level of interest and number of respondents for one-on-one sessions, the Ministry will schedule these sessions on a 'first-come first-serve' basis (based on when vendors' completed registration forms are received).

### **3.4.3 Facilitated Networking Opportunity**

The Ministry will provide time during the day for participating organizations to network and discuss partnership opportunities with other vendors.

The Ministry encourages partnership and collaboration and is providing vendors with an opportunity to present an overview of their organization to attendees during the networking session. Vendor presentations must focus on at least one of the key themes from this

document (see [Section 3.4.2](#) for key themes).

To be considered, presentations for the Facilitated Networking Opportunity must be submitted through the [OTP](#) by May 8 at 5 p.m. Toronto time. Vendors must identify the key theme of their presentation in their submission.

### 3.5 Market Day Registration Process

To ensure effective execution of Market Day, all interested parties are required to respond on the Ontario Tenders Portal, where they will also be given the option to sign up to participate in the Market Day.

#### 3.5.1 Ontario Tenders Portal (OTP) Registration Process

Registration with the OTP is required to submit a response to this MSE. To register, click this [link to the sign-up page](#), then:

1. Click the “**Register**” button at the bottom of the page.
2. Read the “**General Terms And Conditions For Participation In Events Conducted Through Ontario Tenders**”, and then at the bottom of the page select “**I Agree**” and then the “**Next**” button.
3. Fill in the “**Organization Details**” fields then click “**Save**”
4. Fill in “**Basic Profile Form: Additional Registration Details**” then click “**Save & Continue**”
5. Select any UNSPSC codes that are of interest to your organization then click “**Confirm Current Selection**”
6. You should now be on the “**Registration Confirmation**” page. You will receive a confirmation email with your selected user name and a password. Use these credentials to log in for the first time; you will be prompted to change your password.

Once you have registered, you will need to search for tender# 11235 using the Project Code, or through keywords search for using the words in title “Employment Services Transformation”. Within the project created for tender# 11235, you will find the entire Response Form online and the Market Sounding Document in the attachment section.

#### 3.5.2 Location and Webinar

The Vendor Market Day Event will be held in the Greater Toronto Area on May 15 and 16. Vendors will be able to attend in person, or via webinar. Venue and webinar details will be provided closer to Market Day.

#### 3.5.3 Post Event Submission

Following Market Day, vendors will be given an opportunity to provide additional feedback to the Ministry through a post-event submission.

## 4. Terms of Reference

### Terms of Reference

In responding to this, each respondent acknowledges its acceptance of the MSE Terms of Reference as contained hereunder:

### MSE Not A Formal Competitive Bidding Process

This MSE is issued for information gathering purposes and is not intended to be a formal legally binding "Contract A" bidding process. Without limiting the generality of the foregoing, this MSE will not necessarily result in any subsequent negotiations, direct contract award, invitational tendering process or open tendering process and does not constitute a commitment by the Ministry to procure any goods or services. Any pricing figures submitted by respondents shall be for general information purposes and will not be binding on vendors.

### MSE Shall Not Limit Pre-Existing Ministry Rights

This MSE shall not limit any pre-existing Ministry rights. Without limiting the generality of the foregoing, the Ministry expressly reserves the right, at its discretion

- (i) to seek subsequent information or initiate discussions with any vendor, including vendors who did not respond to this MSE;
- (ii) to initiate direct negotiations for the procurement of any good or service with any vendor or vendors regardless of whether the vendor or vendors responded to this MSE;
- (iii) to contact a limited number of vendors, which may be limited to those who responded to this MSE, or may include vendors who did not respond to this MSE, for the purpose of a competitive procurement for the procurement of any good or service;
- (iv) to elect to proceed by way of open tender call where all potential vendors, including those who did not respond to this MSE, are eligible to compete for the award of a contract for the supply of any good or service; or
- (v) to elect not to procure the good or service that is the subject of this MSE.

These expressly reserved rights are in addition to any and all other rights of the Ministry that existed prior to the issuance of this MSE.

### Pricing Information for General Information Purposes Only

Any pricing information provided by respondents is for general information purposes and is not intended to be binding on respondents. Any legally binding pricing or purchasing commitments will only be established where specified by the express terms of a subsequent tender call process or where established through the execution of a written agreement.

### Information in MSE Only an Estimate

The Ministry and its advisors make no representation, warranty or guarantee as to the accuracy of the information contained in the MSE or issued by way of addenda. Any quantities

shown or data contained in this MSE, or provided by way of addenda, are estimates only provided as general background information.

### **Parties Shall Bear Their Own Costs**

The Ministry shall not be liable for any expenses incurred, including the expenses associated with the cost of preparing responses to this MSE. The parties shall bear their own costs associated with or incurred through this MSE process, including any costs arising out of or incurred in: (a) the preparation and issuance of this MSE; (b) the preparation and making of a submission; or (c) any other activities related to this MSE process.

### **Accuracy of Responses**

The respondent acknowledges that the information provided is, to the best of its knowledge, complete and accurate.

### **Submissions Property of the Ministry**

Except where expressly set out to the contrary in this MSE or in the respondent's submission, the submission and any accompanying documentation provided by a respondent shall become the property of the Ministry and shall not be returned.

### **Confidential Information of the Ministry**

All information provided by or obtained from the Ministry in any form in connection with this MSE either before or after the issuance of this MSE: (a) is the sole property of the Ministry and must be treated as confidential; (b) is not to be used for any purpose other than replying to this MSE; (c) must not be disclosed without prior written authorization from the Ministry; and (d) shall be returned by the respondents to the Ministry immediately upon the request of the Ministry.

A respondent may not at any time directly or indirectly communicate with the media in relation to this MSE without first obtaining the written permission of the Ministry.

### **Freedom of Information and Protection of Privacy Act**

The respondent consents to the Ministry's collection of the information as contemplated under the MSE for the uses contemplated under the MSE.

Information provided by a respondent may be released in accordance with the *Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c.F.31, as amended. A respondent should identify any information in its submission or any accompanying documentation supplied in confidence for which confidentiality is to be maintained by the Ministry. The confidentiality of such information will be maintained by the Ministry, except where an order by the Information and Privacy Commission or a court requires the Ministry to do otherwise. The respondent consents, pursuant to subsection 17 (3) of the *Freedom of Information and Protection of Privacy Act*, to the disclosure, on a confidential basis, of this submission by the Ministry to the Ministry's advisers retained for the purpose of informing the MSE and any potential subsequent procurement activities.

The respondent acknowledges that the Ministry may make public the name of any and all respondents.

## **Governing Law**

This MSE process shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

The respondent hereby agrees to the terms set out in the Terms of Reference and in this MSE, Request.

## **General**

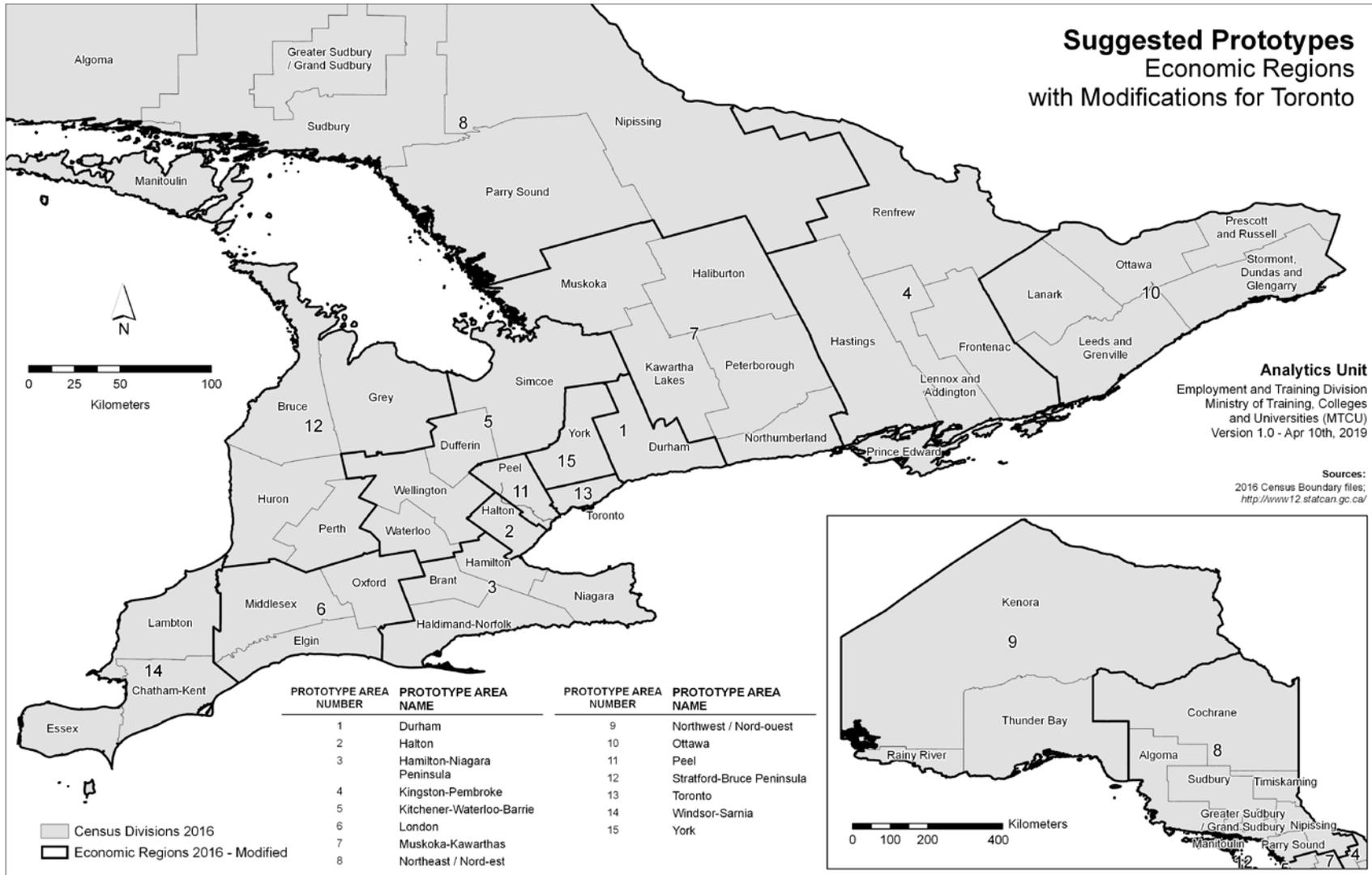
The Market Day process will be conducted with fairness and equity between all parties. No person or organization shall receive nor be perceived to have received any unusual or unfair advantage over another person or organization.

Please review the questions on the Ontario Tenders Portal and come to the Market Day prepared to discuss and comment in an open forum with other vendors and stakeholders. Any input, further queries or recommendations, will be a matter of public record, will not be considered proprietary, and may be used to further refine the procurement(s) and/or solution(s).

The Market Day and any/all information provided by respondents during the Market Day is subject to the Terms of Reference detailed above. By registering for and/or participating in the Market Day, the vendor acknowledges and agrees to the Terms of Reference above.

# Appendix A: Suggested Catchment Areas

Please inform the Ministry if you need an alternate format or other accommodation to access this appendix.



## **Appendix B: Glossary of Terms**

### **Consolidated Municipal Service Manager**

Consolidation of municipal service management has resulted in the creation of 47 Consolidated Municipal Service Managers (CMSMs) across the province. In Northern Ontario, they are called District Social Services Administration Boards. In southern Ontario, the CMSM area is frequently aligned along the upper tier boundary (region or county) and includes a separated town or city if one exists within its geographic boundary. The service manager can be either the upper tier or the separated municipality.

Under municipal leadership, CMSMs implemented a more integrated system of social and community health services for delivery of:

- Ontario Works
- Child Care
- Social Housing

Some CMSMs are also responsible for other services such as land ambulance services and public health.

### **Delivery partner**

In recognition of the range of functions that are the responsibility of a service system manager, they have the option of partnering with other service system managers for delivery of service functions. Service system managers may also choose to contract out to service providers for delivery of one or more service function.

### **District Social Services Administration Board**

Special agencies created by the Province and given the funding and administrative responsibilities of a service manager. DSSABs were created in the north where there is no existing municipal government with the legal jurisdiction to act as a service manager.

### **Hybrid funding model**

Funding model for service system managers which includes both operating funding and results-based funding (milestone and outcomes).

### **Integrated case management**

The case management system shared between MCCSS and TCU and used by all service system managers to ensure clients have a seamless experience and do not have to provide their information multiple times.

### **Milestone payments**

Portion of service system manager funding linked to milestone payments, which recognize client progression on the employment continuum (e.g., completion of training).

### **Outcomes-based funding**

Portion of service system manager funding linked to the achievement of client employment

outcomes.

### **Program realignment**

The division of roles and responsibilities within the employment and training system resulting from the implementation of a new commissioning approach.

### **Service providers**

Organizations that have a contractual agreement with a service system manager to deliver one or more employment and training supports or services. May be a municipality, non-profit or for-profit organization.

### **System steward**

System stewardship requires government to set the 'rules of the game' for employment service providers and steer the system to achieve outcomes using a range of financial, regulatory and policy levers. The stewardship role enables the Ministry to focus on what should be delivered and the performance management of intended outcomes of the system, rather than the details of how services should be delivered or the means to achieve outcomes.

### **Service system manager**

A body that either delivers or contracts organizations to do local planning, coordination and delivery of services and programs. May be a municipality, non-profit or for-profit organization or a consortium service delivery structure.

### **Service targeting**

Service targeting includes a common way of assessing and grouping incoming clients to target resources to clients who could most benefit from more intensive employment services and minimize costs associated with delivering services to individuals who can more easily transition to employment.