

Project Background

Political, Economic and Cultural Environment

In 1995 the McKenna Liberal government was engaged in a restructuring of New Brunswick's economy embarked upon eight years earlier. A series of initiatives was aimed at eliminating the Province's budget deficits and reducing its debt, then approaching \$6 billion.

The situation facing the Department of Income Assistance (later to become the Department of Human Resources Development, HRD-NB) reflected general economic conditions in the Province. With an annual budget of \$285.7 million, the Department was running a deficit of approximately \$40 million a year before the project. At the time it also faced a series of chronic problems: outdated work methods, steady increase in the number of income assistance cases, overworked employees, and obsolete technology. Employees found it increasingly difficult to meet the needs of clients, whom the system kept in a state of psychological and economic dependence, in due time. Lastly, public opinion complained about the escalating costs and tax burden of social assistance.

Institutional and Strategic Environment

Realizing the problems they faced, senior Department officials decided to take remedial action. In 1992 the Department developed a strategic plan whose objectives were to improve services, devote more time to clients, and curb administrative costs. These goals were expressed in terms of turning around the 30:70 ratio (Department personnel spent 30% of their time on meetings with clients and 70% on administrative tasks), with the aim being to devote 70% of time to clients.

In this context, a number of new programs were launched: "Early Childhood Initiatives" in association with the Department of Health and Community Services, which made younger children and their families a priority; "New Brunswick Works", a federal-provincial pilot project, and the "New Brunswick Job Corps" (for the 50-to-65 age group), both in association with the Department of Advanced Education and Labour to facilitate access to the job market for some income-assistance beneficiaries. Finally, assistance and benefit services for the mentally or physically handicapped became available through the "Training and Employment Support Services" (TESS) program. The purpose of these programs, which averaged three years in length, was to foster the economic and social reintegration of income-assistance beneficiaries who expressed a desire to get out from under their problems and lead more self-reliant lives.

In 1993, the Department also made a number of attempts at internal restructuring including the Quality Work Initiative, a program involving employee suggestions for change, and publication of a working paper entitled "Creating New Options." The cornerstone of the new policy consisted of education, training social assistance recipients, and changing their environment. But the partial changes introduced within the Department failed to produce the expected results and the government felt the steps required to bring about a major overhaul were progressing too slowly. The Department lacked the financial resources for sweeping change and its personnel did not have the know-how required both to manage a major reorganization and introduce the desired changes. Lastly, it was impossible to recruit a large enough project team internally without jeopardizing other departmental operations.

The following year the Department of Income Assistance became the Department of Human Resources Development (HRD-NB) and began a series of public consultations on the new options proposed in the working paper with that title. A dozen public hearings, individual and group meetings with beneficiaries, discussions with citizens and community groups, as well as client surveys laid the foundation for the new mandate the Government gave HRD-NB: the priorities became client self-reliance, improving social benefits services, and HRD-NB's fiscal responsibility. The Government gave the new Department four years to attain the objectives in its new mission statement.

HRD-NB had to establish a new service delivery system that would enable social assistance recipients to acquire the skills essential for becoming self-reliant. Only those who were really in need or unable to work (due to age, health, physical or mental handicap) would continue receiving long-term financial assistance. For the others, special measures had to be taken to phase them into the labour market. Young people were obliged to finish high school or undergo job training, live with their family as long as possible, and take parenting courses if they were teenage parents.

Facing a financial impasse, HRD-NB decided to turn to the private sector for the expertise required for its administrative and technological overhaul. It used "common purpose procurement," which marked one of the first times this tendering process was employed outside the federal government. HRD-NB issued a request for

proposals to select a private enterprise that met the following criteria: expertise in managing major projects to transform social services, mastery of advanced technology, and substantial financial means. The Department had no preconceived solution to its problems on which the private firms could bid and estimate costs. HRD-NB had a good idea of what it wanted to undertake and achieve, yet asked the consulting firms to begin by submitting proposals describing solutions and their feasibility.
