

# STAFF REPORT

THE CORPORATION OF THE TOWN OF COBOURG



<b>Report to:</b>	Mayor and Council Members	<b>Priority:</b>	<input type="checkbox"/> High <input type="checkbox"/> Low
<b>Submitted by:</b>	Dave Hancock Chief Building Official Planning and Development Division <a href="mailto:dhancock@cobourg.ca">dhancock@cobourg.ca</a>	<b>Meeting Type:</b>	Open Session <input checked="" type="checkbox"/> Closed Session <input type="checkbox"/>
<b>Meeting Date:</b>	<b>March 7, 2022</b>		
<b>Report No.:</b>	Planning and Development-056-22		
<a href="#">Submit comments to Council</a>			

**Subject/Title: E-Permitting Update**

## RECOMMENDATION:

THAT Council award the e-permitting solution to Cloudpermit as a single sourced vendor authorized under Section 6 of the Town of Cobourg's Purchasing Policy By-law; and

FURTHER THAT Council approve the updated costing of the e-permitting solution in the amount of \$61,966, to be offset by \$37,570 received through the Municipal Modernization Fund, with \$24,396 funded from the Building Department's reserve funds, being less than the approved 2022 budget amount of \$56,800

## 1. STRATEGIC PLAN

N/A

## 2. PUBLIC ENGAGEMENT

N/A

## 3. PURPOSE

The purpose of this report is to receive Council's approval on the funding of the e-permitting project, as follows:

1. An update on revised costs from the software vendor being Cloudpermit
2. A summary of the project funding to demonstrate the e-permitting initiative continues to be viable given the award of Provincial funding to offset costs with the balance funded from the Building Department's reserves; and,
3. A description of the competitive Request for Proposal (RFP) process in partnership with AMO (Association of Municipalities Ontario) and MPAC (Municipal Property Assessment Corporation) to allow single sourcing of an e-permitting solution as provided by Cloudpermit.

#### **4. ORIGIN AND LEGISLATION**

During the early stages of the pandemic it became apparent an e-permitting solution would benefit the public, builders and staff and was further recommended as an opportunity to improve efficiency within the Town's Building Department as part of the Service Delivery Review conducted by KMPG in 2021.

In 2022, \$56,800 was approved in the Town of Cobourg operating budget for the e-permitting project to be funded entirely from the Building Department's reserves.

To enable the non-competitive, single sourced awarding of the e-permitting solution to Cloudpermit, staff are relying on Section 6 of the Town of Cobourg's Purchasing Policy By-law being By-law 016-2012.

#### **5. BACKGROUND**

Looking for ways to add efficiency to the building permit process, e-permitting was realized as an opportunity for the building department to improve the permit process for staff, builders, and the public.

Building Staff recognized that Cloudpermit was the industry leader in providing e-permitting solutions to Municipalities based on many online customer reviews, conversations with current users, online software demonstration, and their association with, and support by the OBOA (Ontario Building Officials Association) and MPAC.

In March 2021 a pricing proposal to implement e-permitting was received from Cloudpermit. In addition, costs to upgrade hardware for building staff were received from the Town IT department. The total cost of implementation, hardware upgrades, and annual licensing was approved through the 2022 budget process.

In January 2022 it was announced, as a result of a competitive RFP process conducted in partnership with AMO and MPAC, that Cloudpermit was the successful candidate for an e-permitting partner, therefore allowing Municipalities to single source the provider for their e-permitting needs. The benefit of the RFP process conducted by AMO and MPAC alleviates the requirement for municipalities having to issue individual RFPs for their e-permitting solutions and enable them to single source Cloudpermit.

However, with this partnership, came an increased cost. While the cost increased, it is offset by the successful award of funds through the Municipal Modernization Program offered by the Province of Ontario.

## 6. ANALYSIS

Staff's analysis as it relates to costing, fund allocation and the single sourcing is summarized below.

## 7. FINANCIAL IMPLICATIONS/BUDGET IMPACTS

The cost of the e-permitting solution was submitted to Council as part of the 2022 budget process and approved. It was further noted the total cost of \$56,800 included a \$5,000 implementation fee, \$12,800 hardware upgrades, and an annual licensing fee of \$39,000 would be fully funded by the building department reserve with no cost to the taxpayers.

In January 2022, approximately 10 months after the initial pricing proposal and subsequent budget approval, we were informed of a cost increase due to the recent partnership with AMO as follows:

- Annual software subscription cost would be increased from \$39,000 to \$47,666 (+\$8,666)
- the implementation fee would decrease from \$5,000 to \$1,500 (-\$3500) with a total net increase of \$5,166.
- The hardware upgrades would remain as originally submitted at \$12,800
- Resulting in a new grand total of \$61,966 up from the grand total originally submitted of \$56,800.

This net increase is \$5,166 for year one of a 5 year commitment. The year one cost would be prorated based on the date the contract is signed which would further minimize the financial impact on the Building Department's reserves.

For years two through five of the commitment, the annual cost to the Building Department would be \$47,666 compared to the original proposal for years two to five of \$39,000, an \$8,666 increase.

In order to further alleviate the cost for implementing e-permitting, an application for funding was sent to the province under the Municipal Modernization Program. As a result of submitting the application, the Province approved funding of \$37,570 towards e-permitting implementation.

Factoring in the above increase in program costs, but continuing to factor in the funding from the Municipal Modernization Program, the new net cost to the Town of Cobourg for year one is \$24,396.

This is \$32,404 less than the \$56,800 originally approved for the 2022 budget.

## 8. SINGLE SOURCING OF CLOUDPERMIT

In accordance with the Purchasing Policy By-law, should a Department wish to single source a supplier to provide a service, a written report indicating the compelling rationale to warrant a non-competitive selection must be provided.

As provided in the background above, AMO and MPAC completed a competitive RFP process thereby relieving local municipalities of this task.

Cloudpermit is being implement by Municipalities across Ontario as a result of this partnership and offers:

- faster permit issuance;
- on-site mobile inspections;
- easy implementation process; and
- standardization for improved efficiency across the province.

It is Staff's opinion that this provides the appropriate and compelling rationale offered by the Purchasing Policy By-law

## 9. CONCLUSION

In summary, Staff are providing Council with an update to demonstrate that despite the increased cost of the Cloudpermit program, the project continues to be financially viable.

E-permitting will benefit all users including staff, builders and the public. The initiative will be funded by Building Department's reserve funds with no impact on the taxpayers of Cobourg. In addition, with the competitive RFP process having taken place by AMO and MPAC, single sourcing can be utilized and with the money obtained from the Province, the new cost will be lower for year one than previously anticipated.



## Report Approval Details

Document Title:	E-Permitting Update - Planning and Development-056-22.docx
Attachments:	
Final Approval Date:	Feb 25, 2022

This report and all of its attachments were approved and signed as outlined below:

**Anne Taylor Scott - Feb 24, 2022 - 6:45 PM**

**Tracey Vaughan, Chief Administrative Officer - Feb 24, 2022 - 8:10 PM**

**No Signature found**

**Ian Davey, Treasurer / Director of Corporate Services - Feb 25, 2022 - 9:27 AM**