

# Municipality of Lakeshore – Report to Council

Chief Administrative Officer

Digital Transformation & Cloud Services



**To:** Mayor & Members of Council

**From:** Michael Martin, Division Leader – Digital Transformation & Cloud Services

**Date:** July 27, 2022

**Subject:** Development Approval Efficiencies / Bylaw Compliance Enhancements – Award of Contract for Cloudpermit

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## Recommendation

Direct the Corporate Leader – Chief Financial Officer to procure cloud permitting software for planning, building and by-law processes as it is in the best interest of the Municipality to do so;

Direct the Mayor and Clerk to execute any agreements necessary to procure the system;

Direct Administration to proceed with the implementation of digital process enhancements that support planning, building and by-law processes via cloud-based software known as Cloudpermit;

Direct Administration to transfer \$10,000 of the Building Reserve fund to support implementation of Cloudpermit;

Direct Administration to transfer \$30,500 from the Covid-19 Safe Restart fund for 2022 pro-rated annual subscription costs; and,

Direct Administration to include an increase to the 2023 base budget of \$30,000 to support the annualized costs of Cloudpermit, all as presented at the August 9, 2022 Council meeting.

## Background

Council has identified goals for the Chief Administrative Officer to create efficiencies in the development approvals process and to increase the levels of service in Bylaw Enforcement over time. Administration has undertaken research in this regard and identified a new software solution that will allow the Municipality to realize these goals through the implementation a new digital platform.

This digital platform will permit the Municipality to enable significant process improvements that decrease the time it takes for stakeholders and the public to complete their applications, reduce errors and missing details within applications, and fully integrate the planning and building process which in turn reduces hand-over issues. On-line payment of fees will streamline our current processes. It furthermore will be fully mobile, enabling our inspectors and Bylaw Compliance Officers to be more productive in the field.

This platform and process will also drive increased public service levels as it will enable a client facing online portal to view real-time status of applications and complaints. In addition, this platform will enable our Administrative Assistants and Public Service Unit to answer questions with the highest level of accuracy and schedule work in real-time.

The Municipality is not able to provide access to the Public Service Unit nor enable a fully mobile Building and Bylaw Enforcement Divisions with our current systems. This reduces the efficiency of our staff while also prohibiting our Public Service Unit from delivering an improved level of experience for residents.

## **Comments**

This recommendation includes a new cloud-based software platform, Cloudpermit. Cloudpermit has partnered with, and is promoted by, the Association of Municipalities Ontario (AMO), and the Municipal Property Assessment Corporation (MPAC). In addition, it has now become the de facto standard in the province as well as the Windsor-Essex region. Their goal has been to provide a web-based service to make the planning and building permit process faster and easier, while meeting the diverse needs of citizens, municipalities, architects, engineers, and other construction experts. More than 250 municipalities in North America and Europe use Cloudpermit as their e-permitting solution. Over 50 municipalities in Ontario trust Cloudpermit to deliver these enhanced digital processes.

Cloudpermit offers the Municipality the opportunity to align ourselves with the region which will provide process efficiencies for residents and developers. A common platform where builders and developers can see all municipalities they are doing business with along with common Planning and Building processes simplifying the experience and removing unnecessary error rates during planning and building permit submissions.

If residents are unable to use the on-line portal due to the lack of high-speed internet, or other barriers, accommodation will be made to make applications in-person as is currently done in the Building department.

Although our current processes are functional, they lack the potential for cross-functional integration between Planning, Building and Bylaw. This recommendation supports fully integrating Community Planning, Building and Bylaw Enforcement into a common platform that will additionally permit its usage through the Public Service Unit

to answer questions, check status as well as input service requests, work orders and complaints. Other departments (e.g., Fire, Engineering) will be able to assign users to the system, which will improve the circulation and review process of planning and building permit applications between Divisions. Further, a common platform will assist in circulation and collaboration with other Cloudpermit users in the Region (e.g., other Municipalities and ERCA).

Being a fully mobile ready solution, Cloudpermit will also enable our building and bylaw divisions to complete inspections and enforcement completely from the field. Inspectors and Officers will have a solution fully integrated with GIS that allows them to complete tasks, update their status and upload any associated records all from a priority. There will be no need for note taking and manual entry upon return to the office.

Furthermore, it will reduce the complexity and risk associated with the current solution being provided by the Municipality. Our current service is split across two different products, both of which are slated for updates. These updates are costly and would need to be done again in the future due to the nature of the solutions. With Cloudpermit, the Municipality can expect ongoing updates to each program area that are included in the annual operating fee that deliver a continuous improvement cycle to our clients.

Finally, it reduces the risk associated with self-hosted solutions. Our current service is hosted on Lakeshore owned infrastructure. Moving to a cloud-based platform increases our security, reduces maintenance needs, simplifies our technology ecosystem while decreasing the need for associated future life cycling capital.

Cloudpermit includes an unlimited number of users in the annual operating fee, whereas the current system charges for each user (each license). Training of the users is also included in the annual operating fee which is an operational cost saving as compared to the current system.

## **Financial Impacts**

### *Operating Costs:*

The Municipality's current permit and bylaw system has an annual operating cost of \$60,000. A migration to Cloudpermit would increase the annual operating cost by \$30,000. Should Council support this initiative, Administration will add these costs into the Draft 2023 Budget.

<b>Operating Costs</b>	<b>Current System</b>	<b>Cloudpermit</b>
Annual Maintenance	\$40,000	
Annual Hosting	\$20,000	
Annual Subscription		\$90,000
<b>Total</b>	<b>\$60,000</b>	<b>\$90,000</b>
Additional Operating Cost to support Cloudpermit		\$30,000

*Capital Costs:*

Whether the Municipality stays with its current system or migrates to Cloudpermit, there are capital dollars needed to support ongoing operations. The current system requires \$105,740 in order to complete necessary upgrades as well as additional licenses to support onboarding of Bylaw. Cloudpermit would require \$20,000 to fund its implementation.

Should Council choose not to migrate to Cloudpermit, \$105,740 will be included in the Draft 2023 Budget to undertake the necessary upgrades to the existing software.

<b>Capital Costs</b>	<b>Current System</b>	<b>Cloudpermit</b>
Implementation		\$20,000
License Uplift (Bylaw)	\$10,000	
Upgrade Costs	\$95,740	N/A included in subscription cost above
<b>Total</b>	<b>\$105,740</b>	<b>\$20,000</b>
Capital Savings with Cloud Permit		\$85,740

*Funding Sources:*

Administration recommends funding Cloudpermit implementation costs of \$20,000 through a transfer of \$10,000 from Building Reserve and \$10,000 from the approved Digital Modernization grant from the Province that was previously targeted to support upgrades to the current system.

As we approach Q4 of 2022, only 33% of the annual subscription cost is required to migrate to Cloudpermit. Administration recommends transferring \$30,500 from the Covid-19 Safe Restart to fund the onboarding and final quarter of 2022 operation subscription cost for Cloudpermit as the digital nature of this solution will directly contribute to the safe operation of the municipality, residents and developers.

## **Procurement**

Cloudpermit is to be procured via Cooperative Purchasing under our Purchasing Bylaw. Generally, single source procurement is discouraged; however, this type of procurement is permitted where it is determined to be in the best of interest of the municipality to do so.

Section 3.12 of the Purchasing By-law states:

- a. The Town may participate with other government agencies or public authorities in cooperative purchasing where it is in the best interests of the Town to do so and where the purposes, goals and objectives of this policy are complied with by such government agencies and public authorities.
- b. The policies of the government agencies or public authorities calling the cooperative Bid Solicitation are to be the accepted policy for that particular purchase.

In the case of Cloudpermit, the Association of Municipalities of Ontario (AMO) partnered with Cloudpermit to offer municipalities a digital platform to manage building permits more efficiently and effectively. AMO selected Cloudpermit through a competitive bidding process. For the search, AMO was supported by an evaluation committee that included representatives from the Ontario Building Officials' Association (OBOA), the Municipal Information Systems Association of Ontario (MISA ON), the Municipal Property Assessment Corporation (MPAC), AMO and Local Authority Services (LAS) staff. As a member of AMO, Lakeshore benefits from this cooperative purchasing arrangement which gives rise to a preferred pricing arrangement conducted through a competitive process to leverage municipal purchasing power. This arrangement is consistent with the requirements of the Canadian Free Trade Agreement as well as the Purchasing By-law.

## **Attachments**

Lakeshore-Proposal-October 30, 2022.pdf

## Report Approval Details

Document Title:	Development Approval and Enforcement Process Enhancements.docx
Attachments:	- Lakeshore-Proposal-October 30, 2022.pdf
Final Approval Date:	Aug 4, 2022

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

Prepared by Michael Martin

Approved by Justin Rousseau and Truper McBride