Report to Council

Department:	Development Services
Division:	Development Services
Date:	March 15, 2021
Prepared by:	Lori Chadwick, Director, Development Services
Report Number:	Development Services-2021-01
Subject:	Electronic Building Permit & Inspection Software
Number of Pages:	6

Recommendation(s)

That Development Services Report 2021-01 entitled Electronic Building Permit & Inspection Software prepared by Lori Chadwick, Director, Development Services dated March 15, 2021 be received; and

That Council authorize Administration to procure and implement the electronic building permit and inspection software "Cloudpermit" through single source means according to Procurement By-law 1043 Section 9.08 j) for a period of 5 years.

Purpose

In accordance with the Town Procurement By-Law Number 1043 Section 9.08 j), Council approval is required for purchases in excess of $100,000. This report is to seek Council's approval to appoint Cloudpermit Inc. to provide the Town with the electronic building permit and inspection software.

Background and Discussion

As the pandemic forces municipalities to find new ways to deliver meaningful and effective customer service with physical distancing, office closures, and a shift away from paper as a safe means of exchanging information, e-permitting is on the rise within the building and construction industry. As a result, Town of Essex Administration has considered how to continue to deliver a high level of customer service throughout the Corporation, including in the Building Services Division of the Development Services Department.

Currently, the Building Division uses a variety of methods in accepting permit applications, including hard copy submissions, whether through walk-in, by appointment, or in a curbside drop-off box and are also received via email to the Building Division's general inbox. Administration currently processes applications, payments, approvals, and inspections manually. There is, therefore, currently no e-permitting solution available to customers to interact with Administration and provide assistance in their permitting process or tracking capabilities except through over the counter assistance or via telephone or email correspondence. Often, modifications to plans are required that necessitate further back and forth over the counter, phone, or through email.

Although these processes have kept the Town moving forward, we have recognized the inefficiencies and delays. Moreover, based on the 2020 actuals and 2021 forecasts, the Building Division will likely to be just as inundated during this building season.

Since Administration considers customer service as a top priority, as evidenced in the Corporate Strategic Plan and in the Service Delivery Review, an e-permitting system in the Building Division will allow our customers to apply for building permits, schedule inspections, and track progress from their offices or homes 24 hours a day, 7 days a week thereby potentially reducing the cost and time to the customers while improving our service delivery under a modernized approach.

"Cloudpermit" is an international e-permitting company that is becoming the standard in Ontario for these types of programs. Their goal has been to provide a web-based service to make the building permit process faster and easier, while meeting the diverse needs of citizens, municipalities, architects, engineers, and other construction experts. Not only do 250 municipalities in North America and Europe use Cloudpermit as their e-permitting solution, but over 40 municipalities in Ontario do as well. Most recently, Cloudpermit has offered their end-to-end e-permitting solution to benefit all stakeholders in Essex County, with Leamington and Kingsville soon entering their procurement phases with Cloudpermit, thereby making it easier and more consistent for contactors and designers that provide their services in our region.

In order to procure Cloudpermit through single source means, the Town was required to review our Procurement By-law 1043 as well as the Canadian Free Trade Agreement (CFTA).

As described under the Town's Procurement By-law 1043, Section 9.08. j), "Compatibility between existing products, such as computer software, is necessary in order to maintain consistency within the Town of Essex", and as described under CFTA Article 513 Limited Tendering Section 1.b. (v), "Compatibility with existing goods, or to maintain specialized goods that must be maintained by the manufacturer of those goods or its representative".

In summary and in justification of the above:

- Cloudpermit offers seamless integration with our GeoCortex to improve accuracy and streamline the building permit process for building department and its communities. With GeoCortex integration, users can select the project location from a list of municipal addresses and see locations on a map with property borders.
- Cloudpermit is able to ensure the compatibility with our Great Plains System. Our historic permitting information in Great Plains can do an export\import to the

Cloudpermit system. Cloudpermit is currently working with two Great Plains users in Ontario -Town of Selwyn and Township of Cavan Monaghan.

To further justify the benefits of Cloudpermit:

- The Municipal Property Assessment Corporation (MPAC) first ingested information from Cloudpermit through Application Programming Interface (API) in June 2020 using a standardized MPAC-issued template. This has resulted in 100% building permit ingestion into MPAC system.
- Cloudpermit has partnered with the Ontario Building Officials Association (OBOA).
- Contractors will be able to submit applications completely online and view permit status and inspection status as well throughout the entire construction process.
- Currently 43 municipalities are using Cloudpermit to submit building permit information through MPAC. They occupy the largest market shares of 19.57% Building Permit Software Providers in Southwestern Ontario. City of Windsor is the area's existing user of Cloudpermit, and as mentioned in this report, the Town of Kingsville and the Municipality of Leamington are proceeding through their procurement process.
- The service model with Cloudpermit allows municipalities to collaborate on practices and share resources for further system advancement. It also offers a familiar platform to construction companies and contractors who may work in numerous communities across the region.
- Cloudpermit can reduce costs for items such as, printing costs for building permit applications, building plans, truss/heating drawings, site plans, etc.
- Lastly, Cloudpermit is currently in the final stages of developing a Planning Module. It is their intention to scrutinize the functionality of that offering to support the submission and tracking of planning applications.

Financial Impact

The cost structure that was provided by Cloudpermit is consistent for 5 years, is reasonable in comparison to municipalities in Ontario with a similar building permit intake level as the Town of Essex, includes updates to the program and customer support at no extra cost, and is broken down as follows:

- Hardware Purchase of Tablets and other workstation requirements at $12,000.00;
- One time implementation fee of $3,000.00 payable upon execution of the agreement;
- Annual Subscription fee of $32,000.00 payable upon execution of the agreement and each January 1, thereafter for the duration of the agreement to 2025;

The overall financial impact for the term of the agreement is $175,000.00. The 2021 Capital and Operating Budget as approved included the Hardware Purchase, Implementation Fee, and Annual Subscription Fee for 2021. The annual subscription fee of $32,000 for years 2022 to 2025 will be included in each applicable budget. It is proposed that the annual subscription fee will be offset in the Building Services Operating Budget by a proposed increase in Building Permit Fees, to be presented in a Report to Council in the near future, while the purchase of hardware has been identified and approved in the 2021 Capital Budget. The Town is also in the process of applying for a Municipal Modernization Grant that could potentially assist in funding the 2021-2022 annual subscription fees.

Consultations

Jackson Tang, Assistant Manager, Business Services

Kevin Carter, Chief Building Official / Manager of Building Services & By-law Enforcement

Jack Barron, Manager, Information Technology

Jeffrey Morrison, Director, Corporate Services / Treasurer

Link to Strategic Priorities

☐ Manage, invest and plan for sustainable municipal infrastructure which meets current and future needs of the municipality and its citizens.

☐ Create a safe, friendly and inclusive community which encourages healthy, active living for people of all ages and abilities.

☐ Provide a fiscal stewardship and value for tax dollars to ensure long-term financial health to the municipality.

☐ Manage responsible and viable growth while preserving and enhancing the unique rural and small town character of the community.

☒ Improve the experiences of individuals, as both citizens and customers, in their interactions with the Town of Essex.

☒ Improve the Town's capacity to meet the ongoing and future service needs of its citizens while ensuring the corporation is resilient in the face of unanticipated changes or disruptions.

Report Approval Details

Document Title:	Electronic Building Permit and Inspection Software - Development Services-2021-01.docx
Attachments:	
Final Approval Date:	Mar 9, 2021

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

Chris Nepszy, Chief Administrative Officer - Mar 9, 2021 - 5:41 PM