

HALIFAX

P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No. 14.1.3
Halifax Regional Council
October 31, 2017

TO: Mayor Savage and Members of Halifax Regional Council

Original Signed by 

SUBMITTED BY:

John Traves, QC, Director, Legal, Municipal Clerk and External Affairs

DATE: September 25, 2017

SUBJECT: **Award – RFP #16-346, Planning & Development –
Permitting, Licensing and Compliance Solution**

ORIGIN

This report originates from the approved 2014/15 Capital Budget.

LEGISLATIVE AUTHORITY

Under the HRM Charter, Section 79 Halifax Regional Council may expend money for municipal purposes.

The recommended contract award complies with all the pre-requisites for awarding contracts as set out in section 34 of Administrative Order 2016-005-ADM, the *Procurement Administrative Order*.

Section 36 of the *Procurement Administrative Order*, provides that Halifax Regional Council may approve contract awards of any amount.

HRM Charter, Section 111(5), The Municipality may enter into a lease, lease-purchase or other commitment to pay money over a period extending beyond the end of the current fiscal year, if, where the total commitment exceeds five hundred thousand dollars, the proposed commitment has been approved by the Minister.

RECOMMENDATION

It is recommended that Halifax Regional Council:

1. Award RFP #P16-346, Permitting, Licensing & Compliance Solution to the highest scoring proponent, Computronix Inc., in the amount of
 - a. \$2,582,401 (net HST included) with funding from the Permitting and Licensing CI990013, as outlined in the Financial Implications section of this report, and

Recommendation continued on page 2

- b. \$151,973 (net HST included) for subscription fees, support and maintenance for the first partial year of operation with funding from the 2017/18 operating budget. This may be prorated further depending on project start. Funding for future (Years 2 through 5) subscription fees and support and maintenance will be included in the proposed Operating Budget for each applicable fiscal year, starting in fiscal 2018-19; and over five-years of the Permitting, Licensing & Compliance Solution, pending Ministerial approval per HRM Charter Section 111(5);
2. Pending Ministerial approval, per HRM Charter Section 111(5), direct the CAO to execute a contract with Computronix Inc. with terms that are satisfactory to the Director of Legal Services.

BACKGROUND

The Halifax Regional Municipality is Nova Scotia's largest and most diverse municipality with more than 43 per cent of the province's population residing within the Municipality's boundaries. The municipality has a significant suburban and rural area, in addition to a large urban mix. Because of our commitment to supporting the development and growth of business within the Region and is recognized as a great location to do business, we are replacing our current permitting, licensing and compliance technology.

The Planning and Development (P&D) Business Unit is dedicated to providing service excellence in regional planning, property development, licensing and municipal compliance programs to the Municipality's citizens. P&D supports building and maintaining safe and healthy communities and delivers services designed to build a municipality with a healthy, vibrant and sustainable future.

The replacement of the existing permitting, licensing and compliance technology is a central feature of the Business Unit's strategic plan enabling modernization of Planning & Development service delivery and redesign of business processes. P&D uses Hansen to support many of its business processes. Hansen is past the end of life and unable to accommodate the changes required to implement P&D's vision for Renewal. In April 2016, the P&D Renewal project reaffirmed the replacement of Hansen, as the underlying technology supporting its business processes, as a priority objective of the Renewal. It has been identified as one of the most critical ways the business unit can change service delivery. The focus is on creating easy access to services through modernizing processes to reflect best practices.

The procurement is for a software system designed to serve as its core business application for all functionality outlined below.

Electronic Plan Review

The solution will provide state-of-the-art Electronic Plan Review capability that will replace the paper drawings that are used today. It will allow clients/users to upload electronic plans when submitting applications, and use these plans throughout the process, after which they become part of the solution's centralized document repository.

Document Management

The solution will provide the ability to track, manage, store and share electronic documents that support Permitting, Licensing and Compliance services' end-to-end business processes through a centralized repository to support efficiency and paper reduction.

Workflow Management

The solution will provide industry standard best practice Workflow Management functionality to facilitate orchestration of all parts of the end-to-end business processes relating to Permitting, Licensing and Compliance services, management of all user interactions and administrative tasks.

Mapping

The solution will provide robust mapping capability using data from the Municipality's GIS system. Users across the organization require the capability to view information spatially to support numerous business processes in the office and in the field.

Mobile

The solution will provide improved mobile capability including remote access to the full version of the PL&C System as well as a mobile/lite version of the Proponent's PL&C System.

Electronic Approvals

The solution will allow the automation of approval and signing processes thereby facilitating effective and efficient authorization, signature and approval of documents and transactions.

Community Engagement

The Municipality is committed to modernizing its public consultation and engagement activity, specifically as it relates to development projects (e.g., Centre Plan, Bylaw Simplification). The solution will enable the municipality to demonstrate consultation with stakeholders and better manage public input and communications.

Payment and Finance

The solution will allow, where needed, Business clients (e.g., developers, contractors) and citizens to receive estimated costs for services, select multiple services and calculate a running cost (i.e., Shopping Cart), make payments using a variety of methods, print or email generated receipts, and request refunds.

DISCUSSION

A Request for Proposal (RFP) 16-346 was publicly advertised on the Province of Nova Scotia's Procurement website on 16 December, 2016 and closed on 8 March, 2017. Proposals were received from the following companies:

- ABM
- Computronix
- Deloitte
- Unisys
- ViewPoint
- ZedIT

A team consisting of staff from Planning and Development and Finance, Information, Communications and Technology, facilitated by procurement, evaluated the proposals based on the criteria listed in Appendix A – Evaluation Criteria. The RFP was scored using a two-envelope process. Envelope one (1) was the technical component of the RFP (Understanding of Requirements, Corporate Capability, Project Delivery, Solution Requirements – Functional and Business, Non-Functional Requirements). Envelope two (2) was the financial component of the RFP.

Per the conditions of the RFP, based on an initial scoring exercise, the evaluation team arrived at a short-list of three (3) proponents to enter a Best and Final Offer process which included demonstrations to key stakeholders and a confidential conference with representatives of the evaluation committee. Subsequent to these meetings, each short-listed Proponent submitted a Best and Final Offer (BAFO) proposal. Staff completed their evaluation and the final score of the three (3) BAFO proponents are as follows:

Computronix	95.49
ZedIT	86.04
Unisys	73.46

Costs were evaluated based on a summary of the expected total five (5) year cost of the solution.

Staff, with assistance from Legal Services, entered negotiations with Computronix facilitated by Procurement to achieve a mutually agreeable contract for the goods and services. These negotiations are substantially complete.

FINANCIAL IMPLICATIONS

The highest scoring proponent’s cost for the core solution and future functionality is \$2,476,268 plus net HST of \$106,133, for a total of \$2,582,401. Funding is available in the approved Capital Budget from Project No. CI990013 – Permitting System Replacement. The budget availability has been confirmed by Finance.

Budget Summary: **Project Account No. CI990013 – Permitting, Licensing and Compliance Solution**

Cumulative Unspent Budget	\$ 3,636,071
Less: Tender No. P16-346	<u>\$ 2,582,401</u>
Balance	\$ 1,053,670

The balance of funds will be used for project implementation including equipment and resources.

The project is currently funded at \$3,636,071 and present planning indicates additional funding of \$3,110,000 will be required to complete the entire project. This additional funding is being requested in 2018/2019 and 2019/2020 Capital Budgets and is required to complete the Phase 2 project work including detailed planning, detailed requirements verification, solution deployment, system and business process improvement, testing, training and implementation. This work will be done for all 3 Stages of the planned project implementation including: Stage 1- Building Permit, Plan Review and Inspections, Stage 2- Planning, and Stage 3- Code Enforcement, Community Engagement and Licensing. Based on current project plan, the project will complete Stage 1 and initial work for Stage 2 during 2018/2019 and will complete Stage 2 and Stage 3 implementations in 2019/2020. Without the additional funding approval, the new functionality and improved, streamlined business processes that the proposed new solution will provide for staff, clients and the general public will not be realized. In addition, the modernization of Service Delivery that is a key part of Planning and Development’s Strategic Plan will not be achieved. Also without the new solution, Planning and Development will not be able to move off the aging Hansen system. This project was originally estimated at \$4,425,000 at a class D level and approved in the 2014/15 Capital Project Budget.

The total subscription fees and maintenance and support cost for 5 years is \$1,989,463 plus net HST of \$85,268 for a total 5-year cost of \$2,074,731 with funding from ICT operating account A732-6399.

The funding for subscription fees and support and maintenance for Year 1 (2017/18) is included in the 2017/18 operating budget and is estimated to be \$75,000 based on current project plan. Funding for future (Years 2 through 5) annual subscription fees and support and maintenance will be included in the proposed ICT operating budget for each applicable fiscal year, starting in fiscal 2018-19, pending Ministerial Approval for entering into a long-term commitment, per HRM Charter, Section 111(5).

RISK CONSIDERATION

There are no significant risks associated with the recommendations in this Report. The risks considered rate: **Low**.

To reach this conclusion, consideration was given to the risks associated with the recommendation and alternative.

Recommendation: Approve Award for new PL&C solution					
Risk	Details	Likelihood	Impact	Risk Level	Mitigation
Service Delivery	Slowdown in services during system switch; Training/education/awareness for public and specific customers	Possible	Minor	Low	Organizational Change strategy; staff dedicated to change management resources, public

					outreach and education, continuous improvement approach, proactive issue tracking and resolution
Reputation	Minor media attention	Possible	Minor	Low	Public engagement strategy, communications plan
Alternative: Status Quo					
Risk	Details	Likelihood	Impact	Risk Level	Mitigation
Service Delivery	Continued and increased problems with service delivery, turnaround times, application and permit processing; no integration with newer applications/systems	Almost Certain	Very High	Very High	N/A
Reputation	Unable to deliver on public commitments to increased efficiency	Almost Certain	High	High	N/A

ENVIRONMENTAL IMPLICATIONS

No environmental risks identified.

ALTERNATIVES

Council could choose not to award this RFP. The alternative is to continue to use the current system/technology, Hansen, which is past the end of life. Plans for decommissioning are underway. Hansen is unable to accommodate the changes required to implement P&D’s vision for Renewal and improve Planning, Permitting, Licensing, Land Management and Compliance services and/or functionality for staff, the Municipality’s clients’ and public.

If council chooses not to award this RFP, it will postpone delivery of new functionality, and associated benefits, including:

- More efficient and effective business processes and industry work flows;
- Business processes that reflect modern best practices;
- A Citizen/client facing “front-end” Portal to provide more self-serve features which will improve access to services, potentially increase revenue opportunities, increase compliance, citizen and client satisfaction and transparency of processes and decrease walk-in volume and paper volume;
- A Mobility component which will allow staff to easily access accurate information while in the field. This functionality will enable increased efficiency in creating data, reduce/eliminate double-data-entry, increase data integrity/reduce errors, more timely data, better/more accurate decision making, increase number of inspections and provide data linked at source;
- Integration with the Municipality’s GIS technology which will provide many benefits, including, but not limited to identification of potential conflicts, increased safety, more accurately pin-pointing of locations, improved work scheduling/planning and increased transparency;
- More informed decision making; and
- Improved productivity and proficiency.

Additionally, not replacing the 12+ year old Hansen software means accepting a significant technological risk. Hansen and its underlying technology infrastructure is degraded and will eventually become unstable.

The replacement of this system is greatly warranted to ensure the technology which underpins such critical business functions is performing at an optimal level.

The replacement of the existing permitting, licensing and compliance technology is a central feature of P&D's strategic plan to enable modernization of P&D service delivery. The new PL&C solution will also enhance service delivery for Transportation and Public Works (TPW), Fire, 311 and Halifax Water.

ATTACHMENTS

Attachment A – P16-346 Permitting, Licensing and Compliance Solution BAFO Evaluation Criteria

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.php> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Original Signed
Conor O'Dea, Manager Business Services, 902-490-6178

Report Approved by: Original Signed
Kelly Denty, A/Director Planning and Development, 902-490-4800

Procurement Review: Original Signed
for Jane Pryor, Manager, Procurement, 902.490-4200

Report Approved by: Original Signed
Jane Fraser, Director Corporate & Customer Services, 902-490-4630

Appendix A – P16-346 BAFO Evaluation Scoring

Criteria	Weight	Computronix	Unisys	zedIT
Understanding of Municipality's Needs	5	4.61	3.82	3.74
Corporate Capability	5	4.91	4.40	4.78
Project Delivery	20	18.60	16.25	18.15
Business Requirements	9	8.39	6.39	7.10
Functional Requirements	21	20.58	18.24	19.14
Non-Functional Requirements	20	18.41	18.20	16.01
Sub-Total	80	75.49	67.29	68.91
Cost Proposal	20	20.00	6.17	17.13
5-year cost including net HST		\$4,847,579.32	\$8,200,112.47	\$5,543,206.44
	100	95.49	73.46	86.04