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**SUBJECT:** Award of Proposal 058-R-14 Supply and Implementation of Electronic Development Plan Service Delivery System

**PREPARED BY:** Chris Bird, Acting Director, Building Standards, Ext. 3940  
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**RECOMMENDATION:**

- 1) THAT the report entitled “Award of Proposal 058-R-14 Supply and Implementation of Electronic Development Plan Service Delivery System” be received;
- 2) THAT the contract for Supply and Implementation of Electronic Plan Service Delivery System from Proposal 058-R-14 be awarded to the highest ranked/lowest priced bidder, Avolve Software Corporation in the amount of \$949,664.12 (inclusive of HST), of which \$659,203.32 is for the software and implementation costs and \$290,460.80 is for four years of support and maintenance;
- 3) THAT the software and implementation costs for 058-R-14 be funded from account #084-5350-14070-005 Supply and Implementation of Electronic Plan Service Delivery System in the amount of \$659,203.32 (inclusive of HST);
- 4) THAT the software support and maintenance fee in the amount of \$290,460.80 (inclusive of HST) over a four year term be funded from #400-404-5361 Computer Hardware, in the amounts of;

|                                    |
|------------------------------------|
| Year 2 (2017) - \$70,472.67        |
| Year 3 (2018) - \$71,882.12        |
| Year 4 (2019) - \$73,319.85        |
| <u>Year 5 (2020) - \$74,786.16</u> |
| Total - \$290,460.08               |
- 5) THAT Avolve Software Corporation be designated as the preferred vendor for the City’s electronic plan service needs for the five year term of this contract;
- 6) THAT the Chief Information Officer be authorized to approve the annual support and maintenance from year six onwards subject to approval of the annual Operating Budget;
- 7) THAT Report “058-R-14 for Supply and Implementation of Electronic Plan Service Delivery System” be included as part of the June 23 Council Meeting agenda;
- 8) THAT Staff be authorized and directed to do all things necessary to give effect to this resolution.

**PURPOSE:**

The purpose of this report is to obtain approval to award the contract 058-R-14 for supply and implementation of electronic plan service delivery system.

**BACKGROUND:**

The City of Markham delivers a number of services that require the submission of drawings/studies/reports/maps that are reviewed in accordance with specific criteria or guidelines and deliver the issuance of an approval/permit/license or tender to authorize certain work to be completed. These services include but are not limited to building permits, development/planning approvals, park construction, road and bridge construction, road occupancy permits, municipal building construction, etc.

Currently our submission and review process is totally paper based, and partially manually tracked. We foresee the opportunity to deliver these services more efficiently and effectively, improving customer and City Staff satisfaction, and ensuring more sustainable use of resources by transforming our operations through an electronic plan submission and review process.

The City envisions a new electronic based system that will simplify the online application experience and streamline the City's plan review and submission process for all City departments reviewing and approving plans and drawings. This includes, but is not limited to building drawings through the Building Department, Development plans/drawings consisting of Planning, Engineering, Urban Design and Landscaping drawings for the review and approval of development applications, Capital drawings for Engineering projects, parks construction and Municipal Buildings and other drawings associated with the Operations Department. The system will be expected to meet the increasing demands of customers to make the process for related applications simpler to understand, more convenient to use, more efficient and predictable. The system is also expected to greatly expand public access to the application process by using web-enabled technologies including a public information portal and electronic plan review capabilities.

The City of Markham issued an RFP for software and services to deliver and implement an Electronic Plan Service Delivery solution that provides a variety of functions including, but not limited to:

- electronic plan submittal and review capability,
- managing documents associated with the review process,
- online portal for submission and tracking of application
- public information display and
- standard and custom reporting capabilities

The city currently tracks the building and planning applications in the city's Permitting, Licensing and Approval Management Tracking system (AMANDA). To ensure we are acquiring the best system in the market that would meet the city's need in submission, reviewing and tracking our services, staff prepared the RFP with the following two options:

**Option 1:** Electronic Plan Service Delivery solution with seamless integration to City's existing Permitting, Licensing and Approval Management Tracking system (AMANDA).

**Option 2:** Electronic Plan Service Delivery solution along with a comparable replacement system for the City's existing Permitting, Licensing, and Approval Management Tracking needs (AMANDA). The proposed solution must include all the functionality offered by the City's existing Permitting, Licensing and Approval Management Tracking system.

#### **BID INFORMATION:**

|                             |                  |
|-----------------------------|------------------|
| Advertised, place and date  | ETN              |
| Bid closing date            | October 02, 2014 |
| Number picking up documents | 19               |
| Number responding to bid    | 4*               |

\*From the four Bid Submissions, two bid proposals were submitted for Option 1 and two bid proposals were submitted specific to Option 2.

#### **PROPOSAL EVALUATION:**

The RFP was released with a three-stage evaluation approach whereby Bidders were required to submit a technical proposal in envelope 1 and a price proposal in envelope 2. The technical proposal (Stage 1) was evaluated out of 70 points and the price proposal (Stage 2) was evaluated out of 30 points, and RFP also included an option for 10 additional points for a presentation / demonstration assessment (Stage 3). Evaluations for Option 1 and Option 2 were undertaken independently.

The evaluation team was comprised of staff from the ITS department, Building Standards, Planning, Engineering and with purchasing staff acting as the facilitator.

#### **RFP Evaluation of Option 1:**

##### Evaluation of Stage 1 – Technical Proposal (Envelope 1)

The Stage 1 Technical Proposals were evaluated against the pre-established evaluation criteria as outlined in the RFP: 10 points for Relevant Experience and Qualification of the Company and Project Team; 10 points for Project Understanding, Methodology, Delivery and Management; 45 points for Requirements for the Electronic Plan Service Delivery System for the City of Markham; and, 5 points for Solution Scalability. Bidders, who scored a minimum of 75%, or 52.5 points out of 70, continued on to Stage 2 – Price Proposal (Envelope 2). The results of the Stage 1 evaluation are outlined below:

| <b>Bidders</b>                     | <b>Score (out of 70)</b> | <b>Rank Results</b> |
|------------------------------------|--------------------------|---------------------|
| <b>Avolve Software Corporation</b> | <b>59.59 (85.12%)</b>    | <b>1</b>            |
| Versivo                            | 54.76 (78.23%)           | 2                   |

Evaluation of Stage 2 – Price Proposal (Envelope 2)

Based on the Stage 1 evaluation, both Bidder's received a score of a minimum of 75% and therefore, proceeded to Stage 2 - Price Proposal (Envelope 2). The sealed price proposal envelope (envelope 2) provided by the bidder was opened and evaluated (exclusive of HST) out of 30 points, based on the criteria outlined in the RFP.

| Bidders                            | Score (out of 30) | Rank Results |
|------------------------------------|-------------------|--------------|
| <b>Avolve Software Corporation</b> | <b>30.00</b>      | <b>1</b>     |
| Versivo                            | 19.81             | 2            |

Two proponents progressed to Stage 2- Avolve Software Corporation and Versivo. Prices ranged from \$949,664.12 to \$1,272,203.50 inclusive of HST for year one (1) to year (5) for these submissions, taking into account the total cost of ownership including ongoing support and maintenance during this period.

Evaluation of Stage 3 – Presentation / Demonstration Assessment

To ensure the highest ranked bidders understood our requirements and also to allow staff members to navigate through their software with technical representation, Staff invited the two highest ranked vendors to a Presentation Assessment as allowed for in the bid document.

| Bidders                            | Score (out of 10) | Rank Results |
|------------------------------------|-------------------|--------------|
| <b>Avolve Software Corporation</b> | <b>9</b>          | <b>1</b>     |
| Versivo                            | 7                 | 2            |

Stage 1 & 2 & 3– Combined Overall Scoring

The scores from the Stage 1, Stage 2 and Stage 3 evaluations were combined to formulate final overall scoring, as summarized below:

| Bidders                            | Score (out of 110) | Rank Results |
|------------------------------------|--------------------|--------------|
| <b>Avolve Software Corporation</b> | <b>98.59</b>       | <b>1</b>     |
| Versivo                            | 81.57              | 2            |

Avolve Software Corporation ("Avolve Software"), the lowest priced bidder scored highest on the technical submission demonstrating a thorough understanding of the project and its requirements. Their proposal demonstrated to the City's satisfaction that they have the ability to undertake the project and they have a strong understanding of the project deliverables, key issues and challenges. Through the evaluation process, Avolve Software demonstrated a depth of experience and expertise as it specifically relates to being a full service communications company, providing consulting, design, implementation and support for best supply and implementation of electronic plan service delivery system (meeting City's business and technical requirements) resulting in an overall higher ranking.

Avolve Software will be providing consulting services, software, customization, installation and configurations, testing, training, maintenance and support and all other services related to the implementation and operation of the solution, which would include a full support model with a dedicated customer service individual assigned to our account (who will communicate regularly

with the City on new features and upgrades) with phone and email access; access to an online case management system to handle support; Software & Programming, and an articulated service level agreement (SLA) relating to customer service timing solutions for five (5) years, local and dedicated support teams; and special discounting being presented as part of this award.

### **RFP Evaluation of Option 2:**

The City also conducted a thorough RFP evaluation of OPTION 2 (Electronic Plan Service Delivery solution along with a comparable replacement system for the City's existing Permitting, Licensing, and Approval Management Tracking system (AMANDA)). The intent of Option 2 is in consideration of a single, seamlessly integrated system that provides the required functionalities for both Permitting and Licensing management as well as electronic plan review capabilities, that is cost efficient, easy to use/adopt and provides a scalable technology platform.

#### Evaluation of Stage 1 – Technical Proposal (Envelope 1)

The Stage 1 Technical Proposals were evaluated using the same pre-established evaluation criteria as used for Option 1. Bidders, who scored a minimum of 75%, or 52.5 points out of 70, continued on to Stage 2 – Price Proposal (Envelope 2). The results of the Stage 1 evaluation are outlined below:

| <b>Bidders</b>     | <b>Score (out of 70)</b> | <b>Rank Results</b> |
|--------------------|--------------------------|---------------------|
| Computronix        | <b>65.03 (92.90%)</b>    | <b>1</b>            |
| Tyler Technologies | 49.14 (70.19%)           | 2                   |

#### Evaluation of Stage 2 – Price Proposal (Envelope 2)

Based on the Stage 1 evaluation, only one proponent received a score of a minimum of 75% and therefore, proceeded to Stage 2 - Price Proposal (Envelope 2). The sealed price proposal envelope (envelope 2) provided by the bidder – Computronix - was opened and evaluated (exclusive of HST) out of 30 points, based on the criteria outlined in the RFP.

Although there were features and functionality the City could benefit from the proposal received, OPTION 2 did not prove to be feasible as the costs far exceeded the City's expectations and the approved, as well as future, anticipated budget for the project. In addition, it was determined that this option would not provide the City with any considerable savings in long term operating costs as opposed to integrating an Electronic Plan Service Delivery solution with the City's existing permitting and licensing management system (AMANDA). Therefore, Option 2 was not pursued beyond the price proposal stage of the evaluation. As such, this option is not recommended for consideration at this time.

### **OPTIONS / DISCUSSIONS**

The City is receiving a complete end-to-end Electronic Plan Service Delivery System solution. Based on the outcome of evaluation process for this RFP, Option 2 did not provide a suitable alternative to meet the City's goal primarily due to the requirement for a significantly high financial commitment. Option 1 with Avolve Software as the highest ranked proponent, however, provided a more suitable proposal for the City in achieving an electronic-based plan review and approval business system.

### ***Industry Experience***

Avolve Software's ProjectDox® electronic plan (ePlan) software and professional services offering leads the industry in a number of ways:

- dedicated ePlan installations
- jurisdiction size
- years of ePlan experience
- complexity of ePlan projects managed and deployed
- features and functions that support optimum flexibility and ease-of-use by department and citizenry alike.

Their specialized and multi-disciplinary team promotes ePlan not as an isolated, single department or agency process, but rather as a discipline that connects internally and externally to a wide range of public sector, commercial/private entities and their respective processes. Avolve Software continues to engage in ePlan business process automation, GIS system integration and Building Information Model (BIM) utilization in the review and approval process, as well as downstream ePlan data re-use. Further, ProjectDox also expands participation in all review processes to outside agencies such as the Province, Region, and Toronto and Region Conservation Authority (TRCA). This uniquely positions the proposed solution as a system which will be flexible and fully scalable to accomplish expansion to incorporate new business workflows and integration with other third party business applications as required in the future.

Avolve Software provided its first ePlan system to the City of Palmdale, California in 2005, and since then, customers have included (but not limited to): **Vancouver, BC, Edmonton AB, Salt Lake City UT, Clark County NV, Washington DC, Baltimore MD, Albuquerque NM, San Bernardino County CA, Honolulu HI, Boston MA, City of Chicago, IL, and most recently, Mississauga ON.** Avolve Software has been doing ePlan review for nine years. With over 100 customers across the North America (of all sizes), and as a key partner with Environmental Systems Research Institute (ESRI), offering a two – way integration between ProjectDox and ESRI ARC GIS system, Avolve Software is the industry expert recognized by the International Code Council (ICC), and many others.

### **CONCLUSION:**

After evaluating all the submissions received in **OPTION 1** and **OPTION 2** and weighing the benefits and risks of each, staff recommends that the City proceed with **OPTION 1** and that the contract award for the Supply and Implementation of the Electronic Plan Service Delivery System be made to the highest ranked vendor – Avolve Software.

Implementation of the Electronic Plan Service Delivery solution will provide the following benefits to the City by the end of the project:

- Application and plan/drawing submission, tracking, review and document storage, results in significant reduction in approval processing times, elimination of manual circulation and errors and improved customer satisfaction.

- Reduction in number of physical trips required to be taken by clients/customers to and from the City. Significant environmental benefits due to reduced use of fuel and paper, and lower carbon emissions.
- A 24/7/365 business portal provides unfettered client access to resources, applications, resubmissions and status tracking and enables the City to shift staff resources to approvals rather than managing all intakes and responding to client inquiries.
- Enhanced ability of City departments and external agencies to conduct parallel and collaborative review rather than sequentially, reducing cycle time. Better records as to what changes have been made, by whom and when.
- Improved concurrency and accuracy of data being transmitted.
- Reduction in and shortened time of application resubmission cycles.
- Shortened time to completion and occupancy of new development, allowing the City to realize increased tax assessment.
- Reduced office space and overhead associated with paper plans and studies, and elimination of archiving and retrieval problems. Documents are always securely stored and may be accessed from anywhere.
- Better tools to more effectively measure productivity and service level performance.
- Solidify City's reputation as a leader in technology use, financial efficiency and customer service.

#### **FINANCIAL CONSIDERATIONS AND TEMPLATE:**

The total award cost of \$949,664.12 includes the capital cost of \$659,203.32 for software and implementation and also includes the associated maintenance costs of \$290,460.80 (inclusive of HST) for years 2 to 5.

The capital cost of \$659,203.32 will be funded from Capital project 084-5350-14070-005 'Electronic Plan Service Delivery Implementation (Phase 2).' The remaining budget of \$334,696.68 will be used for required hardware (servers and workstations) as budgeted for.

| Items                                  | \$'s                |
|--|---------------------|
| Total Budget in Project #14070         | \$993,900.00        |
| Budget Available for hardware/software | \$759,748.00        |
| Award of software                      | \$659,203.32        |
| <b>Budget remaining for hardware</b>   | <b>\$100,544.68</b> |

ITS Staff confirmed that the budget remaining of \$100,544.68 is sufficient to complete the hardware components for this project.

The maintenance cost of \$290,460.08 will be funded from Operating account #400-404-5361 'Computer Hardware' for annual support and maintenance in Years 2 to 5. The annual maintenance cost is as follows:

Year 2 (2017) - \$70,472.67  
 Year 3 (2018) - \$71,882.12  
 Year 4 (2019) - \$73,319.85  
Year 5 (2020) - \$74,786.16  
 Total - \$290,460.08

Assuming a 6-month implementation phase, it is expected that Year 1 will begin as of January 2016 and the maintenance costs for year 1 have been included as part of the capital costs. Therefore, the maintenance costs of \$70,472.67 will be included in the Operating budget starting January 2017.

This award includes all applicable integration costs between the electronic plan review system and our existing licensing and permitting system (AMANDA).

**HUMAN RESOURCES CONSIDERATIONS:**

Not Applicable

**ALIGNMENT WITH STRATEGIC PRIORITIES:**

Sustainability Purchasing Practices Guide Section 3.6 "Wood and Paper Products"

**ENVIRONMENTAL CONSIDERATIONS:**

- Reduction in number of physical trips required to be taken by clients/customers to and from the City. Significant environmental benefits due to reduced use of fuel and paper, and lower carbon emissions.
- Aligns with the vision of the City to become 100% paperless

**BUSINESS UNITS CONSULTED AND AFFECTED:**

Building Standards, Planning and Urban Design, Engineering

**RECOMMENDED BY:**

6/17/2015

X



Nasir Kenea  
Chief Information Officer, ITS

17/06/2015

X



Jim Baird  
Commissioner, Development Services

**ATTACHMENTS:**

Not Applicable