January 7, 2015

Permits and Licensing Transformation Project Mid-Implementation Review

Background

Permit and licence services are a core function of the City, providing essential regulatory oversight that contributes to a safe, liveable city. Permit services include those that drive economic development in the construction and business sectors such as issuance of development, building and trade permits, as well as those that affect a broad range of citizens, such as business and dog licences, residential parking and security alarm permits.

Annually, an estimated 200,000 permits and licences are issued, and 90,000 inspections and 7,000 enforcements are conducted. The Permitting and Licensing (Development and Building) area took in $36 million in 2013 from Building and Development applications.

The Permitting & Licensing Transformation project is one of the largest service transformations to date. The City has an investment of $25 million on the successful implementation of the POSSE system development and business process transformation. It will replace the City's aging technology and nearly 40 different systems used across multiple departments. The project's goal is to improve service for customers by providing easier access to permits and licences and to bring consistency to staff work flow and methods. This would reduce the amount of time it takes for applicants to apply for and obtain a permit or licence, provide 24/7 online access, cut down on multiple trips to City Hall, and consolidate service counters with a single point of contact. The new system uses a phased approach that incrementally progresses over 2.5 years (2013 – 2015).

The Permitting and Licensing Transformation Project has 5 GO-LIVE phases:

GO-LIVE	DATE	SOFTWARE FEATURE/FUNCTIONALITY
1	Feb 2014	• Addressing framework, integration with GIS and Tempest POS.
2	July 2014	• Trades (plumbing, sprinklers, electrical, gas), integration to AMANDA. • Online self-service for trade permits & inspection bookings • Mobile capability for inspectors
3	Training to start - April 2015, GO-LIVE - June 2015 (defer to Sept 2015)	• All building & development permits, engineering permits related to construction and fire permits i.e. sewer/water connections, occupancy, special inspections, field review, fire lockbox, retail fireworks, underground tank removal, street use, and street excavation. Additional interfaces. • Electronic plan submission and review (ProjectDox).
4	Q3 2015 (Note 1)	• Rezoning, compliance and enforcement, other Engineering & Fire permits i.e. street activities. Special activities, special zone

		parking, blasting, explosives, occupant load, and open air burning.
5	Q4 2015 (Note 1)	• Other miscellaneous fire & engineering permits. DOMINO conversion; completion of historical data repository; Dashboard business analytics modules; additional interfaces (Open Data)

(Note 1) – Consolidation GO-LIVEs 4 and 5 into one GO-LIVE in later part of 2015 is in progress.

This project will, reportedly, provide an annual savings of $2.025 million (2015)[1] savings based on the Q3 2014 forecast of F&L Financial Results.

The agreement between the City and the vendor, Computronix, assumes an out-of-the-box implementation. Any customization to existing POSSE features will invoke additional charges. Project team and PDS must be diligent in assessing each case to ensure that any modification is justified and the only option before proceeding.

Management's aim is to standardize PDS business process. With staff adapting and utilizing the new POSSE procedures, it fosters structure and consistent work flow that will benefit the organization in the long run.

To date, four major trade permits: Plumbing, Sprinkler, Electrical, and Gas, were successfully implemented in Go-LIVE 2 with over 8,000 permits processed to end of November and use of PRISM dropped to comparatively small numbers by year-end. All new applications are to be processed using the POSSE system once it is fully implemented.

Other significant developments are to reach out and train permit applicants to use the online system in POSSE which would reduce wait time at the Service Centre. Online applications rose significantly with more than 300 online trade permit accounts that represented 25% of total permits issued in November 2014.

City inspectors were trained to use the hand-held devices in field operations. Between September and November, use of POSSE system for inspections jumped from 27% to 43%. In addition, the inspectors will be able to spend more time in the field doing their work rather than duplicating efforts in the office preparing reports, thus providing customer with access to inspection results more quickly.

The "ePlan" (electronic plan) function that is originally scheduled for GO-LIVE3 will be implemented in subsequent phases as this is a complex process. This and other technological challenges are still being worked on by the project team and a small pilot may be the first step to address this functionality. The "ePlan" deployment will be staged to manage its impact on operations and permit staff to adjust to the new approach.

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[1] This is per Revised 5 and 10 Year Financial Outlook – P&L Program from the P&L Project team. The source of the numbers came from Financial Services and reported to City Council in February 2013 and updated based on the Q3 2014 Forecast.

Experience gained by the project team and the vendor in earlier GO-LIVEs helped to ensure the POSSE system meet some of the City's unique permit processing steps. GO-LIVE 3 will deal with all DE, DB and BU permits, Residential 1 & 2 family dwellings etc. that are less front counter work, but more back end evaluations and interfaces with other City systems such as Hansen etc. The number of staff that will be affected is much greater than the few staff that were directly involved in GO-LIVEs 1 and 2. This will have an impact on the scheduled GO-LIVE 3 date. The project team is cognizant of this issue and is assessing the way to tackle it.

Scope

The scope of this work included:

- A review of the Permitting & Licensing Transformation project development processes;
- An analysis of risk exposure; and
- A comparison of planned implementation timetable/resource utilization schedules to actual achievements.

The objectives of this audit are to ensure that:

- Project's objectives, responsibilities and ownership are clearly defined and approved;
- Costs and benefits are clearly determined and properly monitored;
- Project phases are completed successfully in line with the plan, on time and within budget; and
- Internal controls and business processes are practical and efficient and meet project objectives and business needs.

The objectives also include the extent of compliance to applicable policies, procedures and the internal control framework.

Conclusion

The review found that the project, in general, is progressing according to plan. Required changes in the new POSSE system have been addressed. Due to the complexity of the City's processes, the tight implementation timeline and outstanding issues from earlier GO-LIVEs that will have to be attended to - the project team must remain vigilant in assessing resources/time required to ensure the system's reliability and delivery date are on track and report to the executive sponsors if any deviation is anticipated. Additional efforts may be required to ensure the current cut-over date for GO-LIVE 3 is achievable.

The more significant findings and recommendations include:
- **Addressing System requires completion:** This is the building block to permitting and licensing functions. There are outstanding issues due to different methodology of accessing an address between the old and the new systems. Dedicated resources from

Planning & Development and project team must be made available to deal with the "address" function and settle this issue prior to future GO-LIVE conversion.

- **Limitation of Staff Resource to Assist with Project Development:** Availability of Permits and Licensing front line staff to assist with the project team is limited due to current workload. As the GO-LIVE 3 is the largest conversion phase that covers many permits and inspections in the Building and Development branch this will have significant impact on the project and delivery date. P&L project team and PDS management must continue to work in concert to ensure resources are available to meet the GO-LIVE 3 deadline.

- **Ongoing Systems Support beyond GO-LIVES for Online Customers and Staff:** There are a large number of online contents and deployed applications in the POSSE system. They will continue to grow as GO-LIVE 3 functionalities and processes are added to the system. During implementation there are resources in the development team to support these functionalities. Business Development Services needs to develop a viable plan prior to project completion for subsequent and ongoing system sustainment.

Management has agreed with the report's findings and recommendations and is reviewing current processes and staff resources.