

TO: MUNICIPAL MANAGER
 FROM: INFORMATION SERVICES DIRECTOR
 SUBJECT: CAPITAL COSTS FOR LICENCING, INSPECTION & PERMITS SYSTEM
 PURPOSE: To request Council's approval to bring down a bylaw for the purchase of computer hardware, software, and training.

1992 DECEMBER 14

RECOMMENDATION:

THAT a bylaw be brought down to appropriate \$515,500 from Capital Reserves for the acquisition of the PERMIT*PLAN software package, Oracle Relational Database and 4GL software, related training and the necessary hardware upon which this software will operate.

OVERVIEW

During the early stages of coding an in-house solution for the Licencing, Inspection, and Permits (LPS) system, a potentially suitable packaged solution was identified and a detailed evaluation performed. The PERMIT*PLAN packaged alternative was determined to provide improved functionality much sooner and at a significantly lower cost than the in-house development alternative. It is a comprehensive solution which would encompass present licencing, inspection, permit and bylaw enforcement functions and has the potential for use in the performance of other Municipal functions.

A. Cost to Complete

	<u>Recommended Permit*Plan</u>	<u>Alternative In-House</u>
Staff	\$ 111,000	\$ 1,110,000
Capital	<u>515,500</u>	<u>74,500</u>
Total	<u>\$ 626,500</u>	<u>\$ 1,184,500</u>

B. Benefits

Annual tangible benefits, identified in the 1991 Preliminary Design Report, are estimated at \$ 237,000. The majority of these benefits will be realized in the application/permit processing area and will result from reduced manual effort in the collection, maintenance and retrieval of application data. It is assumed that staff savings will be reallocated and realized through enhanced control, reporting and service. (See Appendix 1 for additional details.)

In addition, significant intangible service benefits are expected. Service improvements to the public will consist primarily of quicker through-put of applications and improvements in the quality and accessibility of information. Improved information access and reporting capabilities will result in more effective use of staff time at all levels as well as enhanced communication between departments.

C. Justification

One measure of justification is the simple pay-back calculation (defined as Costs / Annual Benefits = Payback Period). Applied to PERMIT*PLAN and the In-House alternative, the results are as follows:

	<u>Recommended Permit*Plan</u>	<u>Alternative In-House</u>
Implemented	1993 - 4th qtr	1997 - 2nd qtr
Payback completed	1996 - 3rd qtr	2002 - 2nd qtr

Other measures include future cost avoidance and the earlier realization of benefits. For example, deferral of this project would result in staff reassignment; resumption of development at a later date would incur additional costs for re-familiarization. Clearly, any delay in the project will also result in deferred realization of the benefits identified above.

The LPS Task Force, LPS Steering Committee and the Management Committee have agreed that a change in direction from in-house development to a packaged solution is warranted for the LPS project. They have also agreed with the recommendation that PERMIT*PLAN would provide the most cost-effective and timely alternative to in-house development.

BACKGROUND

The need for an automated system to manage the growing volumes of property-related transactions within the City was identified in 1985. In 1989, an evaluation of development alternatives was performed. As no suitable packaged solutions were identified by this evaluation, it was decided to pursue an in-house solution.

The analysis effort for this project was completed in 1991. In the second quarter of 1992, the alternatives evaluation was re-visited. Four potential packaged solutions were identified, and one, PERMIT*PLAN, was selected as the most likely solution. In-house development was suspended and a detailed evaluation of the PERMIT*PLAN package was undertaken.

The results of this evaluation were positive. The PERMIT*PLAN package meets or exceeds all of the defined requirements of the LPS project and requires no modifications. The attached report was prepared following the completion of this evaluation and the recommendation to proceed with the PERMIT*PLAN package solution was subsequently approved by the LPS Task Force, LPS Steering Committee, and the Management Committee.

FUNDING

The capital expenditures for the LPS system were not included in the 1992-1996 Capital Budget. At the time the Capital Budget was finalized, the development of LPS was intended to be completed using in-house resources and funded from the Operating Budget.

It is proposed that the required funds of \$515,500 be drawn from capital reserves to fund the LPS project.

SUMMARY

Since the time that the LPS project was first identified (1985), the volume of property-related transactions and the demands for information related to these transactions has grown significantly. An urgent need now exists for an automated system which will assist City departments with the efficient and effective management of this information.

It should also be noted that the PERMIT*PLAN solution is consistent with the technological direction recommended by the recent Sierra Strategic Plan report, namely:

- o it is a packaged solution
- o it utilizes a relational database (Oracle)
- o it utilizes 4GL technology (Oracle)
- o it operates in an open systems environment

To sum up, the PERMIT*PLAN package offers the best, timeliest, and most cost-effective solution for this application.

Approval of Council is requested.



Ron Taylor
Information Services Director

APPENDIX 1

LICENCE, INSPECTION & PERMITS SYSTEM

Annual Tangible Benefits

Current Functions	-----CURRENT-----		-----NEW SYSTEM-----		-----DIFFERENCE-----	
	Hours	Cost	Hours	Cost	Hours	Cost
Intake	5,269	\$ 172,218	5,241	\$ 171,303	28	\$ 915
Process applications	8,635	282,204	8,034	262,560	601	19,644
Process referrals	9,331	304,985	8,464	276,647	867	28,338
Council approvals	4,105	134,173	4,080	133,355	25	817
Complete applications	12,545	410,035	9,265	302,828	3,280	107,207
Process inspections	34,696	1,134,077	34,553	1,129,403	143	4,674
Process complaints	2,308	75,437	2,100	68,639	208	6,799
General processing	36,176	1,182,417	31,943	1,044,061	4,233	138,356
	113,065	\$ 3,695,546	103,680	\$ 3,388,796	9,385	\$ 306,750

New Functions

Additional entry	-	-	1,323	43,243	1,323-	43,243-
Table maintenance	-	-	6	196	6-	196-
Report handling	-	-	345	11,276	345-	11,276-
Financial reconciln	-	-	460	15,035	460-	15,035-
	-	-	2,134	69,750	2,134-	69,750-

TOTALS

113,065	\$ 3,695,546	105,814	\$ 3,458,546	7,251	\$ 237,000
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ANNUAL TANGIBLE BENEFITS

\$ 237,000

