TO:	**GENERAL COMMITTEE**
SUBJECT:	**ACCELA CLOUD MIGRATION**
WARD:	**ALL**
PREPARED BY AND KEY CONTACT:	**R. NOLAN, DIRECTOR OF INFORMATION TECHNOLOGY EXT 4373**
SUBMITTED BY:	**R. NOLAN, DIRECTOR OF INFORMATION TECHNOLOGY EXT 4373**
GENERAL MANAGER / EXECUTIVE DIRECTOR APPROVAL:	**R JAMES-REID, GENERAL MANAGER ACCESS BARRIE**
CHIEF ADMINISTRATIVE OFFICER APPROVAL:	**M. PROWSE, CHIEF ADMINISTRATIVE OFFICER**

RECOMMENDED MOTION

1. That the Director of Information Technology and Chief Procurement Officer be authorized to sign an agreement in form satisfactory to the Director of Legal Services and the Chief Procurement Officer, on behalf of the City of Barrie, with Accela, Inc. (Accela) to support the migration of the city's on-premise Accela's Civic Platform solution to Accela's SaaS version of their Civic Platform (Accela's Cloud Platform) along with annual maintenance, licensing, and other professional services relating to the delivery of Accela's Cloud Platform with an initial term of 3 years, and options for 3, three year extensions.

2. That the requirements of the Procurement By-law be waived.

3. That the scope of capital project CC1003 "APLI (Applications, Permits, Licenses and Inspections) Expansion - Phase 3" (APLI Phase 3) be expanded to include the Accela cloud migration and add an additional $260k to the project for 2025 funded from the Housing Accelerator Fund to:

   1. Extend a temporary System Analyst position supporting the project until March 31, 2027 ($110k).

   2. Accela professional services migration cost ($150k).

4. That the $400k operating impact of migrating to Accela's Cloud Platform be added to Information Technology's 2025 base budget and recovered from Housing Accelerator Fund for tax years 2025, 2026, and 2027 for:

   1. Increased licensing and maintenance costs ($300k).

   2. Converting a temporary Project Coordinator position supporting the project to permanent ($100k).

PURPOSE & BACKGROUND

Report Overview

5.   In 2014, through open competition 2014-089P Supply and Implementation of a Building Permit Application Solution, Accela was awarded the contract to provide their on-premise Building Permit Application Solution to replace the then 15 year old system that Building and By-Law had outgrown, and to expand the system's use as a corporate solution for Applications, Permits, Licenses and Inspections (APLI).

6.   APLI was launched internally April 10, 2017, with the public portal launching April 2, 2018 supporting all the Building Services permits. Over the 6 years APLI has been live, 38 services have been launched over nearly 3 phases. Phase 2 and 3 are currently in progress with 16 services left to migrate.

7.   The APLI program though the Accela solution is the technology foundation to Barrie's success in streamlining housing starts. Barrie has been recognized twice by the Building Industry and Land Development association (BILD) as the top municipality in Ontario for ease of doing business with the city for government approvals and process.

8.   On March 14, 2024, the Federal government announced the City of Barrie was successful in obtaining Housing Accelerator Funding (HAF). The City of Barrie will receive $25,684,990 over the three-year program with a commitment to complete our submitted Action Plan.

9.   Funding will be released to the municipality in four equal payments. The first payment was received in Q1 2024. The second and third payment are to be provided in 2025 and 2026 contingent on meeting the milestones outlined for each initiative in the Action Plan. Reporting on our progress on each initiative and housing starts is required biannually to CMHC.

10.   The HAF Action Plan includes two initiatives associated with enhancing our current e-permitting system:

1.   System Improvements/Enhancements to the current E-Permitting System for all APLI applications to better manage documents and allow for mobile inspections.

2.   Enable Electronic Payments for Development Applications and associated fees

11.   The total funding received from the Housing Accelerator Fund will be spent completing the nine (9) initiatives laid out in the Action Plan, this includes investments and resourcing required to complete the initiatives. Through the HAF Action Plan, budget has been earmarked to assist in enhancing APLI.

ANALYSIS

12.   In August 2023, Accela informed the city that it will no longer be developing for, or supporting, the on-premise Civic Platform after December 31, 2025. They have provided a migration path to their cloud-based solution. Their cloud-based solution includes all functionality of the on-premise solution and more

13.   The decision to recommend migrating to Accela's cloud solution included several considerations. Protecting residents privacy, regulatory compliance (AODA, Payment Card Industry Data Security

Standards, MFIPPA, etc), municipal scan of best practices, value for costs, and Barrie's Procurement By-Law.

14.	Protecting residents' privacy is always top of mind when considering any cloud solution. A full Privacy Impact Assessment (PIA) will be completed prior to signing any agreement. A preliminary assessment of Accela's cloud security and privacy policies has not raised any red flags.

15.	Prior to signing any agreement, the city will complete the standard compliance assessments for applicable regulatory areas. This includes accessibility (AODA), financial and payment processing (PCI DSS) and MFIPPA. Preliminary reviews have not raised any red flags.

16.	A municipal scan of 11 similar sized Ontario municipalities was completed. 8 are using on-premise solutions, with 5 of them in various states of replacing or upgrading for a more modern cloud-based solution. The other 3 on-premise solutions were implemented in the 2000s and acknowledge the lack of fulsome modern features such as mobile inspections, but replacement is not currently a priority. The remaining 3 are using Accela's cloud platform, where 2 migrated from Accela's on-premise solution and 1 went directly to Accela's cloud platform.

17.	Some additional benefits included in with cloud licensing that are not available for on-premise solutions include a partnership with a payment provider to simplifying the payment handling, a modernized analytics platform, real-time Web APIs simplifying integrations to other systems (i.e. CEM, Cityworks, SAP). With the modern analytics platform there are opportunities to eliminate the need for some roles to access Accela by providing reports. Similarly, the real-time Web API provide integration opportunity for view only roles to make Accela information available in CEM. This not only saves on Accela licensing, but also simplifies the look up process for Service Barrie Agents by staying within CEM and not having to sign-in to Accela to do a look up.

18.	There are some technology benefits to using Accela's cloud solution as well. Accela's cloud solution provides enhanced fail-over and business continuity compared to the currently architected on-premises solution. During a system interruption event, the cloud solution will nearly instantly failover to a geographically separated data centre. Meaning no, to minimal interruption for the public and staff. The current on-premise solution would take hours of downtime to restore at the City's secondary data centre. Revisiting Accela's on-premise architecture is on IT's plan for 2026. Moving to the cloud solution would avoid the need to re-architect the on-premise solution.

19.	Additionally, Accela's cloud solution keeps the city on the latest version of Accela. Accela currently release upgrades every 6 months. This would provide immediate access to Accela's latest innovation and new features. IT currently upgrades Accela on-premise solution on a 2 year cycle.

20.	The municipal scan also looked at some rough Total Cost of Ownership (TCO) numbers. Even though it was hard to compare like-for-like costs for the different uses and pricing models, staff estimated the cost per user as a general measure. The cloud solutions typically cost $2,000 to $5,000 per user. The on-premise costs vary greatly and can be anywhere between $700 to $10,000 per user. Moving to Accela's cloud solution is expected to be approximately $2,200 per user which is an increase from the current on-premise Accela average cost of approximately $1,200 per user however this increased per user cost is on the lower end of the comparable cloud solutions and significantly lower than other on-premise solutions.

21.	Given the City's existing investment in Accela, including all the services and processes built around them, migrating to Accela's cloud solution would be least disruptive to residents, business and city's operations, including Building and Development Services.

22.   Since 2015, the APLI Project has had between 2 and 4 temporary full-time resources dedicated to moving services on-line and digitalizing the supporting back-office processes. Permanent staff are needed to support increased functionality for housing permits, including the two HAF e-permitting initiatives. Permanent resources are also needed to support ongoing continuous improvements for all the service already deployed.

23.   Permanent staff will be able to optimize processes based on the latest industry innovations and features made available in the product. There are also constantly changing regulatory requirements that need to be incorporated into process as well. Such as changes to building codes, inspections requirements, by-law changes, provincial licensing changes, etc.

24.   During the municipal scan, the comparable municipalities had between 2-4 permanent staff supporting their Application and Inspection programs. The city currently has 1 permanent APLI Support Technician that was approved in the 2020 budget. Converting a project coordinator position from temporary to permanent will ensure the program has sustainable support past the Phase 3 project.

25.   The project has seen great success in recent years utilizing a Project Coordinator to facilitate the business process change discussions with the various stakeholders. This has proven to be a more efficient way to flush out technical requirements for the Systems Analyst to implement.

26.   The Project Coordinator will also help find simpler cloud solutions for services that don't need Accela's complex decision and approval workflow features. This way, the city can use Accela cloud licenses wisely for more complicated processes, and use less expensive alternatives for simpler ones where Accela's licenses may cost more than the expected revenue. For example, fire permits, Recreation or Culture grants, signs permits, pet licenses, etc.

27.   Receiving future instalments of the Housing Accelerator Funding is contingent on meeting the milestones of the initiatives within the agreed upon Action Plan. The initiatives related to enhancements of the APLI platform are scheduled to be completed in 2025. It is imperative that we are able to fulfil our commitment to the federal government to receive future funding instalments.

ENVIRONMENTAL AND CLIMATE CHANGE IMPACT MATTERS

28.   There are no environmental and/or climate change impact matters related to the recommendation.

ALTERNATIVES

29.   The following alternatives are available for consideration by General Committee:

Alternative #1   General Committee could not approve the recommendations and staff will begin a Request For Proposal (RFP) to replace the Accela on-premise solution.

This alternative is not recommended as it will divert APLI resources from Phase 3 process improvements to work on the RFP. More resources will be required to meet HAF milestones related to Accela. If a different solution is chosen, resources will have to re-design existing processes in the new solution, which will further postpone Phase 3 process improvements and will impact HAF commitments by either delaying delivery, or having to re-create the HAF enhancements.

The Municipal scan revealed that the costs of Accela's cloud solution are similar to other solutions. Any possible savings would be insignificant compared to the existing investments since APLI program started in 2014.

FINANCIAL

30.   The following chart outlines the recommended changes for the APLI Phase 3 capital project (CC1003) and Base Budget:

Year	Description	Increase	HAF Funding	Tax Capital and Tax Levy Impact
2025	Paragraph 3 of recommended motion - Increase to APLI Phase 3 (CC1003)	$260,000		
	Paragraph 4 of recommended motion – Increase to Base Budget	$400,000		
	Paragraph 3 & 4 of recommended motion – HAF Recoveries		($660,000	0
2026	Paragraph 4 of recommended motion – Increase to Base Budget	$400,000		
	Paragraph 4 of recommended motion – HAF Recoveries		($400,000	0
2027	Paragraph 4 of recommended motion – Increase to Base Budget	$400,000		
	Paragraph 4 of recommended motion – HAF Recoveries		($400,000	0
Total Costs		**1,460,000**	**($1,460,000**	**0**

LINKAGE TO 2022-2026 STRATEGIC PLAN

31.   The recommendation(s) included in this Staff Report support the following goals identified in the 2022-2026 Strategic Plan:

☒   Affordable Place to Live

☒   Thriving Communities

32.   This investment in technology will provide additional tools to continue streamlining city processes making it easier to build more homes.