

TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON MARCH 19, 2019
FROM:	G. KOTSIFAS, P. ENG. MANAGING DIRECTOR, DEVELOPMENT & COMPLIANCE SERVICES AND CHIEF BUILDING OFFICIAL
SUBJECT:	SINGLE-SOURCE PROCUREMENT: MICROFICHE DIGITIZATION MES HYBRID

RECOMMENDATION

1. That, on the recommendation of the Managing Director, Development and Compliance Services and Chief Building Official, the following actions **BE TAKEN** with respect to MES Hybrid Solutions:
 - (a) the price of \$275,000 (HST excluded) negotiated with MES Hybrid Document Systems for the provision of one year of digital scanning services **BE ACCEPTED** on a Single Source basis in accordance with sections 14.4 (d) and (e) of the Procurement of Goods and Services Policy;
 - (b) the Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with this purchase;
 - (c) the approvals given herein **BE CONDITIONAL** upon the Corporation entering into a formal contract for this purchase; and,
 - (d) the Mayor and City Clerk **BE AUTHORIZED** to execute any contract, statement of work or other documents, if required, to give effect to these recommendations.

2. The financing for these acquisitions **BE APPROVED** as set out in the Sources of Financing Report attached hereto as Appendix "A";

3. That, on the recommendation of the Managing Director, Development and Compliance Services and Chief Building Official, the attached proposed by-law (Appendix "A") **BE INTRODUCED** at the Municipal Council meeting to be held on (DATE)
 - (a) authorize and approve an Agreement (Schedule "A" to the by-law) between The Corporation of the City of London and MES Hybrid for scanning purposes; and
 - (b) authorize the Mayor and the City Clerk to execute the Agreement authorized and approved in part a), above.

BACKGROUND

Development & Compliance Services (DCS) has an efficient electronic document scanning system that has been in place for twenty years with 3.5 full-time positions scanning various types of documents into the CityHub system. Originals are stored or destroyed, depending on the regulations within the Records Retention By-law. Having and maintaining easy access to important and sometimes vital digital documents for both internal staff and London citizens is a valuable tool for both parties. Documents that pre-date the late 1990's as well as the current AMANDA system, are stored on microfiche and are available on the 7th floor of City Hall.

Microfiche has always been an important research tool for DCS, as well as other service areas within the Corporation. Access to these records, while necessary, has at times been cumbersome. The fiche predominantly captures previous building and plumbing permit applications, construction plans, land severances and minor variance decisions, site servicing plans, and private drain connection documents; these can date back as far as six decades, and sometimes before. The public also has access to these records with the MFIPPA regulations being applied when required.

Below are some examples of those who access microfiche and for what reason:

Building Division

Staff members reference the fiche on a daily basis. Most times it is to confirm compliance of zoning regulations (i.e., commercial business, a rental unit, or a commercial sign), obtain structure data of a building, or understand the history of a property. Not only does this information assist the Corporation in providing excellence in service when the information is available and accessible, it may also assist the customer with additional knowledge of a property and may help them to confirm information they believe to be true. Often customers are performing their due diligence before purchasing a property or signing a lease to establish a business on a property they do not own.

Engineering

Plumbing records are valuable to the corporate Infrastructure Renewal Program and can reduce costly change orders that occur when we lack accurate site servicing information. Plumbing records are most often used to determine the location of a building sewer on a property, in addition to the location of clean-outs and the main stack. They also provide homeowners with their plumbing plans. This information is helpful when planning drainage work on private property. Without a plumbing plan, the homeowner may need to pay for camera/video work to understand how their plumbing and private sewer is configured.

Development Services

Although all registered Development Agreements can be obtained by doing a title search and finding the agreement in a parcel abstract provided by the Land Registry Office (LRO), the LRO will only provide the text of agreements, whereas the microfiche will not only include a copy of the approved plans but also other useful background information including supporting correspondence, reports and/or notations.

CHALLENGES

Evidently, this antiquated document imaging system stores useful information that is accessed on a regular basis, but the manner in which it is stored needs to be updated.

Reasons to convert:

- Inefficient use of staff time and effort
 - The number of corporate users who visit the 7th floor to obtain the information has increased. Staff time spent waiting for the machine to be available, skimming through the fiche and then printing can take a minimum of 30 minutes
 - Time could be better spent if this information was digital and only a few clicks away, saved on a network drive
- Obsolete equipment
 - Replacement ink toner and parts are hard to find or no longer produced
 - Microfiche machine rentals are too expensive to purchase
- Labour rates will continue to increase
 - The longer we put off digital conversion, the more expensive it will be to obtain the services of a third party
- Desperate need for office space
 - The fiche reader/printer and four cabinets take up to 7.5 sq meters (80 sq ft) of prime office space in an area that is already limited on space
- Increased turnaround time to provide documents to the public
 - Accessing the information is time-consuming and can be complicated
 - Customers are left waiting at the counter while a service representative is conducting research on their behalf
 - Queues form as research is being conducted for a customer, creating longer waiting times for subsequent customers and resentment at the lack of efficiency that may be perceived

Transitioning the documents to a digital format will allow staff and customers quicker access to information as the documents will be stored in one location as opposed to several.



Examples of fiche



The microfiche reader and 4 fiche cabinets (2 shown) take up 80 sq.ft of space

FINANCIAL IMPACT & REQUEST

Abiding by the Procurement of Goods and Services Policy, purchase orders were issued in 2017 to MES Hybrid Document Systems (MES) to convert less than \$50,000 of fiche annually.

To date, MES has completed two years' worth of digitization, which is about 53,000 sheets of fiche. Fiche with municipal streets "A" through to "M" have been converted and the following benefits have been found:

- Significantly improved customer service and turnaround processing time
- Staff morale has improved when performing these searches
- The digital documents are easy to use and readily accessible for regular users within the corporation

There are approximately 112,000 sheets of fiche remaining, at an estimated \$275,000.

This request is to receive approval to have the remaining fiche converted in 2019 as opposed to breaking the project up into \$50k portions over the next several years.

Funding for this project will come from the Efficiency, Effectiveness & Economy Reserve. There is sufficient capacity within this reserve to accommodate this contribution. There are no anticipated additional operating costs associated with this project.

PROCUREMENT OF GOODS & SERVICES

Section 14, of the City's Procurement of Goods and Services Policy indicates that *"the procurement may be conducted using a Single Source process if the goods and/or services are available from more than one source, but there are valid and sufficient reasons for selecting one supplier in particular"*. In this case, the following criteria for a Single Source process apply:

- 1) There is a need for compatibility with goods and/or services previously acquired or the required goods and/or services will be additional to similar goods and/or services being supplied under an existing contract (i.e. contract extension or renewal) (s. 14.4d); and
- 2) The service requires special knowledge, skills, expertise or experience (s.14.4 e).

CONCLUSION

This microfiche digitization project has already proven to be worth the financial investment. The cost to convert the remaining fiche is \$275,000. Development & Compliance Services is requesting approval to continue working with MES to expeditiously convert the remaining fiche in 2019. Completing the conversion project in 2019 will not only provide staff and the public with the documents they need in a prompt and efficient manner, but will also require less financial commitment from the Corporation.

PREPARED BY:	CONCURRED BY:
CATHERINE DEFOREST MANAGER, BUSINESS SERVICES DEVELOPMENT & COMPLIANCE SERVICES	IAN COLLINS DIRECTOR, FINANCIAL SERVICES, FINANCE & CORPORATE SERVICES
RECOMMENDED BY:	
GEORGE KOTSIFAS, P. ENG. MANAGING DIRECTOR, DEVELOPMENT AND COMPLIANCE SERVICES & CHIEF BUILDING OFFICIAL	

cc. J. Freeman

L. Green

M. Daley

APPENDIX 'A'

#19021

Chair and Members
Corporate Services Committee

March 19, 2019
(Award Contract)

**RE: Single-Source Procurement: Microfiche Digitalization MES Hybrid
(Subledger NT19GG01)
New Capital Project GG1536 - Microfiche Digitalization MES Hybrid
MES Hybrid Document Systems - \$275,000.00 (excluding H.S.T.)**

FINANCE & CORPORATE SERVICES REPORT ON THE SOURCES OF FINANCING:

Finance & Corporate Services confirms that the cost of this project, although not included in the Capital Works Budget, can be accommodated with a drawdown from the Operating Efficiency, Effectiveness & Economy Reserve, and that, subject to the adoption of the recommendations of the Managing Director, Development & Compliance Services and Chief Building Official, the detailed source of financing for this project is:

<u>ESTIMATED EXPENDITURES</u>	<u>Approved Budget</u>	<u>This Submission</u>	<u>Revised Budget</u>
External Contractor	\$0	\$279,840	\$279,840
NET ESTIMATED EXPENDITURES	<u>\$0</u>	<u>\$279,840</u>	<u>\$279,840</u>

SOURCE OF FINANCING:

Drawdown from Operating Efficiency, Effectiveness & Economy Reserve	\$0	\$279,840	\$279,840
TOTAL FINANCING	<u>\$0</u>	<u>\$279,840</u>	<u>\$279,840</u>

Financial Note:

Contract Price	\$275,000
Add: HST @13%	<u>35,750</u>
Total Contract Price Including Taxes	310,750
Less: HST Rebate	<u>30,910</u>
Net Contract Price	<u>\$279,840</u>

NOTES:

- 1) The funding is available as a drawdown from the Efficiency, Effectiveness & Economy Reserve. The uncommitted balance will be approximately \$14.5 million after the approval of this project.

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Kyle Murray
Director, Financial Planning & Business Support