



**City of Kingston
Report to Council
Report Number 15-222**

To: Mayor and Members of Council
From: Lanie Hurdle, Commissioner, Community Services
Resource: Paige Agnew, Director, Planning, Building & Licensing Services
Date of Meeting: April 21, 2015
Subject: Award of Contract - Pet Registration and Identification Service for the City of Kingston

Executive Summary:

The purpose of this report is to seek Council approval to award a contract to obtain a Pet Registration, Identification and Rewards Program Service for the City of Kingston. The proposed service will provide an on-line Pet Registration, Identification and Rewards Program solution for the City of Kingston and will include implementation services as well as ongoing administration, management and support services.

Sufficient funds for the implementation of this service have been included in the approved capital budget.

Docupet Inc. was the sole proponent that responded to the Request for Proposal (RFP). Section 3.4 of the Purchasing By-Law requires that approval be sought by separate report to Council when at least three valid responses from Vendors have not been received.

Recommendation:

That Docupet Inc. be awarded a five year contract (RFP Number F31-CS-BL-2014-01), with the option of further one to five year renewals at the sole discretion of the City of Kingston; and

That the Mayor and Clerk be authorized to execute the contract in a form satisfactory to the Director of Legal Services; and

That the Commissioner, Community Services Group, be granted delegated authority to enter into any renewals with Docupet Inc. after the initial five year contract; and

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That upon implementation of the on-line system, pet registrations will be valid for one year from the date they are issued; and

That By-Law Number 2004-144, being a By-Law to Regulate Animals, be amended to replace the requirement for renewal of pet registrations by April 1st of each year with the requirement for renewal on the anniversary of the initial registration date, or last renewal date, as applicable; and

That staff will provide Council with an update of the on-line pet registration, identification and rewards program by December 31, 2016.

Authorizing Signatures:

ORIGINAL SIGNED BY COMMISSIONER

Lanie Hurdle, Commissioner, Community Services

ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER

Gerard Hunt, Chief Administrative Officer

Consultation with the following Members of the Corporate Management Team:

Cynthia Beach, Corporate & Strategic Initiatives

Denis Leger, Transportation, Facilities & Emergency Services Not required

Jim Keech, President and CEO, Utilities Kingston Not required

Desiree Kennedy, Chief Financial Officer & City Treasurer

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Options/Discussion:

At its regular meeting held on September 10, 2013, Council endorsed 14 initiatives that were recommended by the Responsible Pet Ownership Program (RPOP) Working Group. Service Enhancements and Resource Requirements was one of the recommendations and Council resolved as follows:

13. Service Enhancements and Resource Requirements

Issue an RFI or RFP to determine the feasibility for the provision of an on-line service by an outside agency in comparison to providing services in house for:

- 1) Deployment through the public portal to the web for after-hours identification of lost or found pets;
- 2) On-line application for animal tags;
- 3) Applications by phone;
- 4) Automatic pet tag renewal;
- 5) Rewards system;
- 6) Entry of animal information on-line for those selling pet tags upon sale; and

Explore ability to:

- Complete applications by phone;
- Update pet information on-line (including microchipping);
- Provide a Lost & Found section:
 - Templates for posters;
 - Link to the animal shelters/pounds where animal may be located;
- Issue email reminders;
- Provide links to charity groups;
- Promotion of Animal Services; and
- Increased access to information for pound services provider.

The RPOP was established to promote responsible pet ownership and as part of the program, to reduce the number of pets taken to the pound which would result in a reduction of the cost of pound services. The Working Group determined that this can be accomplished by on-line pet identification and free ride home programs. The Working Group also identified the need to increase the number of animals being registered with the City for identification purposes, to provide easier renewal of pet registrations and to promote tag sales through rewards programs.

The Service Enhancements and Resource Requirements initiative directed staff to assess the feasibility for the provision of an on-line pet registration, identification and rewards program service by an outside agency, in comparison to providing this service in-house using the existing software application. Staff determined that the current in-house licensing system did not meet a number of requirements, as outlined in the RPOP Working Group recommendations and identified in the RFP objectives, and therefore was not an option when compared with the Docupet Inc. solution.

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On May 21, 2014 a Request for Information (RFI) was issued to acquire the most up-to-date information available in the current market and identify interested parties that could provide a pet registration, identification and rewards system for dogs and cats. The RFI identified the functional requirements that the Building & Licensing Division needed to manage an on-line system that would meet the requirements as outlined in the recommendations for the RPOP program. The RFI was also structured to identify the business processes that are currently required to manage pet registrations and renewals.

The information provided through the RFI responses was incorporated into the Request for Proposal (RFP) Number F31-CS-BL-2014-01 'Pet Registration, Identification and Rewards Program for the City of Kingston'. The RFP closed on November 26, 2014 and one proposal was received from Docupet Inc. An evaluation team consisting of staff from the Licensing and Enforcement Division, Financial Services and the I.S.&T. Department was formed to evaluate the proposal.

The following criteria was applied in the evaluation of the proposal as outlined in the RFP:

- Company Profile and References
- Functional Capabilities
- Technical Capabilities
- Implementation Approach
- Pricing
- Accessibility Standards

The evaluation team reviewed and scored the proposal according to the criteria as outlined in the RFP. The pricing proposal submitted by the proponent was based on a percentage based fee per pet registration above the current registration baseline plus fees for credit card processing and the distribution of pet tags, reward cards and printed material. A breakdown of the fees results in a cost of approximately \$4.63 per registration plus payment processing fees. A baseline of 3,920 registrations, representing the average number of pet licenses issued annually over the last 3 years, had been established at the time of the RFP submission and the proponent is also proposing that they will collect 25 percent of the revenue on any new pet registrations that are issued above the baseline. The City currently works with outside agencies such as the Kingston Humane Society to sell pet tags. These outside agencies collect between \$4 and \$8 per pet tag so the fee of \$4.63 provided by the proponent is in the range of the fees already collected and therefore no negative impacts are anticipated on the operational budget. Based on the experience of other municipalities, it is actually expected that the number of pet tags sold will increase and therefore should have a positive impact on the operational budget.

The proposal indicated that there were no set up fees provided that the City commit \$25,000 in an advertising expenditure in the first year of the service implementation to help promote the program. This amount has been included in the project budget already approved by Council.

Once the feasibility of the pricing proposal was determined and the initial evaluation of the submission based on the remaining criteria was completed, the proponent was invited to demonstrate the Docupet service.

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In January 2015 the proponent demonstrated the Docupet service to the evaluation team. In addition, a further demonstration was conducted in February to view detailed reporting features, discuss options for integrating payment processes into current City payment and financial systems, and to further discuss PCI compliance requirements. Payment Card Industry Data Security Standards (PCI-DSS, referred to as PCI) are a set of standards set forth by the Payment Card Industry to enhance cardholder data security and facilitate the broad adaptation of consistent data security measures globally. These standards are being enforced by the banking system. As stated in the RFP, all payment systems are required to be PCI compliant. The City has a policy indicating that all departments must obtain a formal agreement from Finance and I.S.&T. prior to entering into any contracts with payment related service providers and they are also required to conduct a number of security related reviews prior to granting acceptance.

Staff is also recommending that the requirement to renew pet registrations by April 1st of each year be replaced with the requirement to renew by the anniversary of the date of the initial registration, or by the anniversary of the date of their last renewal, as applicable. Under this proposed new licensing term, pet owners who qualify for a free initial registration or those purchasing a tag for the first time will always receive a registration that is valid for a full 365 days. Under the current licensing term of April 1st to March 31st, the initial free registration is only for the time period between the registration date and March 31st. This proposed change in the licensing term is facilitated by the proposed on-line pet registration solution as it includes a provision for pet owners to be automatically notified of their specific license renewal date, in advance, by email and mail. An amendment to the current Animal Licensing By-Law Number 2004-144, 'A By-Law to Regulate Animals', (Exhibit A) is required in order to change to an anniversary date renewal term. The change would become effective upon implementation of the on-line Pet Registration and Identification Service.

The evaluation team has determined that the proponent's submission has met the criteria as outlined in the RFP for a Pet Registration and Identification Service. Reference checks provided positive feedback, which further validated the evaluation team findings.

Docupet Inc. is predicting that the system will increase compliance by at least 150 percent each year throughout the term of the contract. Staff is recommending that Docupet Inc. be awarded the contract for the provision of a Pet Registration, Identification and Reward Program for the City of Kingston in accordance with the specifications contained within the City issued RFP. Staff is also recommending that a report be provided to Council at the end of December 2016 to provide an update on the effectiveness of the program and to recommend any changes that may be required.

Existing Policy/By-Law:

By-Law Number 2000-134 A By-Law to Establish Purchasing Policies and Procedures

By-Law Number 2004-144 A By-Law to Regulate Animals

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Notice Provisions:

Not applicable

Accessibility Considerations:

Accessibility compliance considerations were incorporated into the evaluation criteria of the RFP.

Financial Considerations:

In lieu of set-up fees, an initial commitment in the first year of operation of \$25,000 is required for collaborative advertising and promotional efforts. These costs will be paid out of the previously approved capital budget for animal registration upgrades.

A per tag fee of approximately \$4.63 plus payment processing fees will apply to every tag that is issued to cover the costs of tags, postage and administrative services. The proponent will charge a performance fee of 25 percent on all gross licensing revenues in excess of a pre-set baseline number. This number is derived from the average number of licenses sold over the last three years or the last 12 months, whichever is less, and it is estimated at 3,920. These revenues represent services rendered for system maintenance and day to day operations.

Other fees directly associated with out-of-pocket costs have been set up on a cost recovery basis.

Contacts:

Paige Agnew, Director, Planning, Building & Licensing Services 613-546-4291 extension 3252

Kim Leonard, Manager, Licensing and Enforcement 613-546-4291 extension 3222

Other City of Kingston Staff Consulted:

David Johnston, Chief Information Officer, Information Systems & Technology

Stephen Skinner, Manager, Corporate Integration, Information Systems & Technology

Darlene Dopking, IS Project Manager, Information Systems & Technology

Scott Tulk, Technology Solutions Architect, Information Systems & Technology

Alan McLeod, Senior Legal Counsel, Office of the City Solicitor

Blair Johnson, Corporate Records & Information Officer, Office of the City Clerk

Steven Dickey, Director, Financial Services

Debbie Donovan, Business Analyst, Financial Services

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Laird Leggo, Supervisor, Property Tax, Revenue & Collection, Financial Services

Shelley Rizzo, Corporate Buyer, Financial Services

Greg McLean, Policy & Program Coordinator, Planning, Building & Licensing Services

Angela Patterson, Enforcement Agent, Planning, Building & Licensing Services

Debbi Miller, Communications Officer, Strategic Communications

Exhibits Attached:

Exhibit A A By-Law to Amend By-Law Number 2004-144 “A By-Law to Regulate Animals”

By-Law Number 2015-XX**A By-Law to Amend By-Law 2004-144, “A By-Law to Regulate Animals”.****Passed:** xx, 2015

The Council of the Corporation of the City of Kingston hereby enacts as follows:

1. By-law Number 2004-144 of the Corporation of the City of Kingston entitled “A By-Law to Regulate Animals”, as amended, is hereby further amended as follows:
 - 1.1 Section 3.5 (3) is deleted and the following substituted:

(3) a refund for the current year’s registration will be issued to a person who provides evidence that their dog or cat has been spayed or neutered within the one year period for which the fee was paid to register their dog or cat; and
 - 1.2 Section 3.5 (4) is deleted and the following substituted:

(4) a refund of the difference between the fee paid to register a dog or cat and the fee for a microchipped dog or cat will be issued to a person who provides evidence that the dog or cat has been microchipped within the one year period for which the fee was paid.
 - 1.3 Section 3.17 is deleted and the following substituted:

Every owner of a dog or cat, every breeder of a dog, cat or rabbit, every person operating a kennel and every person who owns a hen coop, who does not pay the applicable annual fee for the renewal of the registration or permit by, in the case of an owner of a dog or cat, each anniversary of the initial registration date or renewal date, as applicable, and in the case of every breeder of a dog, cat or rabbit, every person operating a kennel and every person who owns a hen coop, by March 31st of each year, may be required to pay an administration fee, as set out in By-Law 2005-10, in addition to the registration or permit.
 - 1.4 Section 4.5 is deleted and the following substituted:

A dog and cat registration is valid for one year only, and shall be renewed each year by the anniversary date of the initial registration date or renewal date, as applicable, by paying the applicable annual registration fee.

2. This By-Law shall come into force and take effect on the date of implementation of an online pet identification and registration service.

Given First and Second Readings Month XX, 2015

Given Third Reading and Passed Month XX, 2015

John Bolognone
City Clerk

Bryan Paterson
Mayor