



The County

PRINCE EDWARD COUNTY ONTARIO

**THE CORPORATION OF THE COUNTY OF PRINCE EDWARD
Expression of Interest**

2021-CSPI-59

STA SOFTWARE COMPLIANCE

Name of Firm

Address

Postal Code

Telephone Number

Fax Number

Name of Person Signing for Firm

Name of Contact Person

Email Address for Contact Person Company Web site

CLOSING DATE: October 5, 2021 - 2:00 P.M. LOCAL TIME



REQUEST FOR EXPRESSION OF INTEREST PROVISION OF SERVICES: INTEGRITY COMMISSIONER

INFORMATION TO RESPONDENTS

Overview

The Short-Term Accommodation (STA) market, in which homeowners or renters temporarily rent their homes to guests (generally using sites like AirBnB or Tripadvisor), has been substantially growing in the past decade. In Canada, the market has increased in revenue nearly tenfold between 2015 and 2018. And according to one study, Prince Edward County, Ontario has been one of four small communities that account for the majority of *all* rural STA activity in Canada (others include Whistler, BC, Blue Mountains, and Mont Tremblant, QC).

With this influx of registered STA operators comes challenges with enforcement, as unlicensed operators attempt to rent out their homes before being licensed or with no intent to obtain one at all. This presents a problem of not just lost tax revenue or an impact on the local housing market, but a safety issue, as the current STA regime requires that prospective licensees have their properties inspected to ensure proper standards for water, fire and building code safety.

While the STA Licensing department within the municipal government is in the process of hiring more compliance officers to deal with these illegal STAs, Council has given staff permission to send out an Expression of Interest for third-party STA compliance software to assist the County in this matter. This software would ideally not just find and report illegal operators, but have reporting functions for local residents to file noise complaints or report indications of STA activity if they believe someone is operating without a license, and be able to collect the Municipal Accommodations Tax (MAT) from legitimate operators as well. This software must also comply with industry-standard and legally required data privacy practices & standards, in order to ensure the data of municipal residents is adequately protected as per the law (e.g. SOC-II certification, Canadian-based servers, etc.).

This in mind, Staff are requesting that interested providers of STA compliance software present submissions to the municipality, with an eye towards how their technology and operations can reduce or curb illegal operators, provide the local community with greater latitude to report illegal activity, and collect MAT taxes on behalf of the municipality.

Background

In 2017, Council directed Staff to bring forward a proposal to address the proliferation of Short-Term Accommodations in Prince Edward County. Following extensive public, agency and STA operator consultation, and a series of public meetings, Staff introduced recommended changes to The County's Official Plan and Zoning By-law which addressed:

- Specific zones where new STAs are permitted
- Maximum densities (15%) for whole-home STAs
- Principle residence STAs not subject to density restrictions (i.e. B&Bs)
- Site-specific zoning required for STAs with 5+ guest rooms
- Occupancy limits, parking, landscaping and amenity space requirements

On October 8, 2018, Council passed the Official Plan Amendment and Zoning By-law Amendment regarding STAs. A Licensing By-law was brought to Council in early 2019, created by an internal Task Team with input from the County's solicitors and continued fulsome consultation with STA operators.

In June 2019, staff submitted the By-Law to License, Regulate and Govern the Operation of Short-Term Accommodation Dwelling Rentals in the County of Prince Edward for approval. In the accompanying report, municipal staff indicated that the rapid proliferation of Short-Term Accommodations in the County was having an adverse impact on neighborhoods, housing supply, and affordability; was exacerbating nuisance issues, and had created situations that could affect the health and safety of visitors and create risk for the municipality and industry. At the same time, Staff reported that the tourism and the accommodations sector in particular are extremely important to the County's economy and to the livelihoods of many County residents. The STA Licensing By-law was created in an effort to strike a balance between the interests of residents and the tourism economy, by recommending a comprehensive licensing program that achieved full cost-recovery and which addressed the community's needs. The STA Licensing By-law was approved by Council without amendment and the Licensing program officially began on January 6, 2020. The licensing program was paused on September 30, 2020 (following a motion on Sept 1), in preparation for a full program review that took place over the winter, which was presented on February 18, 2021. The review recommended a handful of changes, including bringing forward a report on the cost of procuring STA compliance software, and some zoning changes. STA licensing remained temporarily paused following this meeting (with the exception of grandfathered properties), until the moratorium was lifted on June 15, 2021.

Since then, Council and Staff have worked on other reforms to the program. Notably, in June 2021, the STA by-law was rewritten to allow for differentiation between the three main types of STAs (Whole-Home, Owner-Occupied, and Bed & Breakfast), as well as some other minor safety/fire code changes, as there is general agreement that traditional B&Bs and Owner-Occupied STAs should not be treated the same as Whole-Home STAs that are not regularly occupied by County residents. Council has also requested that Staff develop a map of STAs active in Prince Edward County, to allow for more thorough enforcement of problem and unlicensed operators, and commissioned a market study of STAs to examine their impact on affordable housing, which is still in process.

Expression of Interest Submission Requirements

In releasing an Expression of Interest, the municipality is looking for providers of third-party STA compliance software to contract with, that has the capacity to monitor local STA markets, report unlicensed operators, and check the validity of license numbers. Ideally, this tool should also be able to allow residents to report possible unlicensed STA activity, provide a map of which local residences are confirmed STAs, and collect MAT tax revenue from operators as well.

The municipality also stresses that as per its obligation to protect the data of its residents and relevant *Privacy Act* requirements, that all interested parties possess industry-standard and legally required data privacy practices & standards. Ideally this would include SOC-II certification, and servers based in Canada that do not transmit or store data in a manner that would subject them to foreign data collection laws. Should the chosen solution prove successful, the municipality may choose to engage in discussions with the chosen proponent about future/ongoing data collection services with respect to STAs. The municipality thanks all those who submit for their interest, but notes that only one party will be chosen for this contract.

Submissions should include the following:

Proponent Profile

- Corporate / Organizational profile
- Related experience with municipal/provincial/state governments & STA compliance
- Results (if any) of software in related settings
- References

Software Requirements (related directly to Prince Edward County)

- Capacity to locate, cross-reference and report suspected unlicensed operators to the STA By-law compliance office

- Capacity for residents to report suspected unlicensed STA operators, either to software engineers or the municipality directly, via the software.
- Capacity to collect MAT tax from licensed operators
- Confirmation of industry-standard data privacy and protection certification(s), award(s), etc. that will ensure the data of residents is used lawfully and not subject to international or third-party data collection efforts without residents' informed consent.

Availability and Timing

Short-Term Accommodation licensing in Prince Edward County was paused during the period between September 30, 2020 and June 15, 2021. In that time bracket, all “grandfathered” STA applications were processed, and the STA office has been processing subsequent applications as they come in using the rewritten by-law and classification schemes. Ideally, applicants would be able to begin work on the software integration after the end of the summer season and before the end of the calendar year 2021, with an eye towards full integration of the software by Q2 2022.

Evaluation Criteria

Please structure your expression of interest into two sections as per the preceding **Expression of Interest Submission Requirements**.

1. Profile
2. Software Requirements
3. Availability and Timing

The County reserves the rights, in its sole discretion, to select any or none of the submissions received and/or to enter into further discussions with any of the interested proponents.

Schedule

The Corporation of the County of Prince Edward intends to utilize the following schedule in completion of this process. The County reserves the right to amend the schedule should it be deemed necessary:

Date	Description
September 13, 2021	EOI release date
September 24, 2021	Last day for written questions from vendors
October 1, 2021	EOI submission due date
October 8, 2021	EOI submission chosen

Insurance (from successful respondents only)

The County will require proof of insurance from the successful responder in amounts and with terms satisfactory to the County Purchasing Clerk including WSIB and professional liability coverage.

Freedom of Information

The County is subject to the provisions of the *Municipal Freedom of Information and Protection of Privacy Act*. As a result, the County cannot guarantee that any information forwarded to the County can be held in confidence.



The County

PRINCE EDWARD COUNTY ONTARIO

Questions

Questions can be addressed to:

Patti White, Purchasing Clerk

Telephone: 613-476-2148 Ext 1506 Facsimile: 613-476-7622 Email: pwhite@pecounty.on.ca

Deadline for questions: September 24, 2021 at 4:00 p.m.

Rights Reserved by the County

The County reserves the right without prejudice to reject any and all submissions in whole or in part and to determine in its own best judgement, the businesses or individuals best qualified to undertake this contract.

The County is not responsible for any costs incurred by the respondents in the preparation of their submissions or attendance at any selection interviews (if required).

The County reserves the right to terminate the contract without notice if due to non-performance and unsatisfactory services.

The County reserves the right to schedule and/or request required services or to call in alternate services if the proponent is unable to provide the service when it is requested.

The County will hire the successful businesses or individuals on an as and when required basis and does not guarantee a specific quantity of work.

SUBMISSION REQUIREMENTS

Basic Requirements

Submissions should include, but not be limited to, the following information

- Contact information, including the business or individual's full name, complete address, telephone number, fax number, contact person's full name and email address;
- An outline of the services to be provided;
- An outline of past experience in similar projects;
- References (see below for more detail);
- Any other supporting information you may wish to include with your submission

Failure to complete and include information as required may result in your submission not being considered. Point by point response is requested. Respondents shall address each and every required item as indicated above.



References

Please state the name, address, phone number and contact person for all references supplied.

The submission of a response authorizes the County to contact all references provided. Failure to provide references and details of experience may result in the submission not being considered.

Selection Process

The selection process will start with a review of the contents of the submissions as received, any clarifications requested and from reference checks. The County reserves the right to reject any or all submissions and shall not be bound to accept any of them.

This is a Request for Expressions of Interest and is not a contract tender or proposal call. No contractual, tort or other legal obligations are created or imposed on the County or any other agency by the request or by the making of any submission or by consideration of or failure or refusal to consider any submission by the County.

Closing Time and Date

**Submissions must be received by fax or email no later than 2:00 pm on October 5, 2021 to:
Email: pwhite@pecounty.on.ca Fax: 613-476-7622**