

Amendment to Non-Competitive Contract with DocuPet Inc. for the Provision of Pet Licensing Services

Date: July 6, 2026

To: General Government Committee

From: Executive Director, Municipal Licensing and Standards and the Chief Procurement Officer

Wards: All

SUMMARY

Toronto Municipal Code Chapter 349, Animals, establishes rules and regulations for responsible pet ownership in the City, including a requirement for every owner of a dog or cat to obtain a pet licence. In 2023, the City entered a no-cost, two-year pilot with DocuPet Inc., a Kingston-based Canadian company that provides online pet licensing services to municipalities, with the goal of improving pet licensing revenue and uptake, streamlining program administration, and enhancing customer experience. The pilot commenced on October 17, 2023, and was originally scheduled to end on October 17, 2025.

At its meeting on June 25 and 26, 2025, City Council authorized Municipal Licensing and Standards to negotiate and enter into a non-competitive contract with DocuPet Inc. ([2025.GG22.11](#)). Through that report, City Council approved a contract value of \$680,730 net of all applicable taxes and charges for a five-year period, originally intending to run from October 17, 2025, following the conclusion of the pilot, to October 17, 2030. The contract also included the option for the City to extend the agreement for five (5) additional separate one (1) year period, resulting in a total potential contract amount of \$1,537,136 net of all applicable taxes and charges.

Since City Council's approval, and prior to finalizing the post-pilot contract, further discussions with DocuPet Inc. have resulted in proposed changes to the agreement which requires additional Council approval. While discussions were underway, a more detailed assessment of program delivery costs, including technology platform maintenance and compliance with City policies, security and privacy requirements, identified higher-than-anticipated costs for DocuPet Inc. To offset these costs, DocuPet Inc. has requested additional fees to recover costs associated with licence issuance and replacement tags. City staff are supportive of the additional costs as they are necessary for effective program delivery. Should updates to the agreement be approved, a small proportion of the current budget for pet licensing will be reallocated towards the costs paid to DocuPet Inc. Under both the previously approved and proposed contract,

DocuPet would collect pet licensing revenue on behalf of the City and remit the net revenue after their fees were deducted. In addition, as a result of these discussions, the pilot was extended until August 17, 2026, to ensure there was no gap in services.

This report requests approval to amend the contract value with DocuPet Inc., clarify pet licence issuance fee descriptions, and to apply ongoing annual inflationary adjustments to existing pet licence issuance fees to offset future inflationary increases in the fees collected by DocuPet Inc. The proposed contract period would be revised to run from August 18, 2026, to October 18, 2030. The total contract value would increase to \$1,756,072 net of all applicable taxes and charges over 4 years (from \$680,730 over 5 years). Previously, staff estimated an annual average cost of \$136,200, however, with the additional fees, that average annual value would increase to \$434,592. The contract also provides the option to extend the agreement for five (5) additional separate one (1) year periods, at the sole discretion of the Executive Director, Municipal Licensing and Standards. If all the extension options are exercised, there would be a total potential contract value of \$4,453,769 net of all applicable taxes and charges (from \$1,537,136). The proposed amendment represents an increase to the initial contract value by \$1,075,342 and by \$2,916,633 net of all applicable taxes and charges if all potential extensions are exercised, to be fully recovered by licensing revenue.

RECOMMENDATIONS

The Executive Director, Municipal Licensing and Standards and the Chief Procurement Officer recommend that:

1. City Council in accordance with Section 71-11.1.C of the City of Toronto Municipal Code Chapter 71 (Financial Control By-Law), grant authority to the Executive Director, Municipal Licensing and Standards, to negotiate and execute an amending agreement of the non-competitive contract with DocuPet Inc. for the provision of Pet Licensing Services from August 18, 2026 to October 18, 2030, inclusive, in the amount of \$1,756,072 net of all applicable taxes and charges (\$1,786,979 net of HST recoveries), with the option to extend the agreement for up to five (5) additional separate one (1) year periods, at the sole discretion of the City for a total potential contract amount of \$4,453,769 net of all applicable taxes and charges (\$4,532,156 net of HST recoveries), on terms and conditions satisfactory to the Executive Director, Municipal Licensing and Standards and in a form satisfactory to the City Solicitor.
2. City Council amend fee descriptions and annual adjustments for fees related to pet licence issuance in Toronto Municipal Code Chapter 441, Fees and Charges, Appendix C – Schedule 12, Municipal Licensing and Standards by amending the fee descriptions and annual adjustments as shown in bold in the table below:

Ref.	Service Fee	Description	Category	Fee Basis	Fee	Annual Adj.
70	Pet Licence Issuance	Amount for the annual registration of unspayed/unneutered cat.	City Policy	Per animal	\$50.00	Yes
71	Pet Licence Issuance	Amount for the annual registration of unspayed/unneutered dog.	City Policy	Per animal	\$60.00	Yes
72	Pet Licence Issuance	Amount for the annual registration of unspayed/unneutered cat, with 50% senior discount.	City Policy	Per animal	\$25.00	Yes
73	Pet Licence Issuance	Amount for the annual registration of unspayed/unneutered dog, with 50% senior discount.	City Policy	Per animal	\$30.00	Yes
74	Pet Licence Issuance	Amount for the annual registration of spayed/neutered dog.	City Policy	Per animal	\$25.00	Yes
75	Pet Licence Issuance	Amount for the annual registration of spayed/neutered cat.	City Policy	Per animal	\$15.00	Yes
76	Pet Licence Issuance	Amount for the annual registration of spayed/neutered dog, with 50% senior discount.	City Policy	Per animal	\$12.50	Yes
77	Pet Licence Issuance	Amount for the annual registration of spayed/neutered cat, with 50% senior discount.	City Policy	Per animal	\$7.50	Yes
78	Pet Licence Issuance	Fee charged for replacing a lost pet tag	Full Cost Recovery	Per animal	\$5.00	Yes

3. City Council direct that the amendments to Toronto Municipal Chapter 441, Fees and Charges in Part 2 above come into effect on January 1, 2027.

FINANCIAL IMPACT

The total potential contract award, including five (5) option years, is \$4,453,769 net of all applicable taxes and charges and \$5,032,760 including all applicable taxes and charges. The total potential cost to the City including five one-year optional periods is \$4,532,156 net of HST recoveries. In comparison to the contract value that was previously adopted by City Council, this amendment increases the initial contract value by \$1,075,342 and by \$2,916,633 if all potential extensions are exercised.

Should the report be adopted, the current budget for pet licensing will be partially reallocated towards the costs paid to DocuPet Inc. Any additional costs incurred by the City as part of the DocuPet Inc. contract will be fully recovered by pet licensing fee revenue and absorbed into Municipal Licensing and Standards' operational budget. To help offset future inflationary increases in the fees collected by DocuPet, staff propose subjecting existing pet licence issuance fees to annual inflationary adjustments.

The City Treasurer and Chief Financial Officer have reviewed this report and agree with the financial implications as identified in the Financial Impact section.

DECISION HISTORY

City Council, at its meeting of June 25 and 26, 2025 adopted 2025.GG22.11 - Non-Competitive Contract with DocuPet Inc., for the Provision of Pet Licensing Services, and authorized the Executive Director, Municipal Licensing and Standards, to negotiate and enter into a non-competitive contract with DocuPet Inc.

<https://secure.toronto.ca/council/agenda-item.do?item=2025.GG22.11>

City Council, at its meeting of July 23, 24, 25, 26, 27 and 30, 2018 adopted 2018.LS27.3 - Specialty Dog Tag Pilot Project, and authorized the Executive Director, Municipal Licensing and Standards to undertake a pilot to partner with private issuers of dog tags on pet licensing, if staff believed the project was feasible and achieves the goals and objectives of Toronto Animal Services.

<https://secure.toronto.ca/council/agenda-item.do?item=2018.LS27.3>

COMMENTS

Toronto Municipal Code Chapter 349, Animals ("Chapter 349"), establishes rules and regulations for responsible pet ownership and pet licensing in the City. Under chapter 349, all dogs and cats owned in Toronto must be licensed, wear a tag, and have their licences renewed annually. Municipal Licensing and Standards ("MLS"), through Toronto Animal Services ("TAS") is responsible for administration and enforcement of Chapter 349, including the administration of pet licensing.

While it is unknown exactly how many pets currently reside in Toronto, in 2025, there were approximately 67,000 pet licences issued for a total revenue of \$1,641,825. In 2025, TAS also received a total value of \$426,494 in donations (which includes \$212,447 collected through DocuPet) and \$96,000 in grants. Revenue from pet licensing fees, donations and grants is used to fund TAS' programs, including spay/neuter programs, veterinary care and the rescue of sick, injured or distressed domestic animals and wildlife. Further details on revenue from pet licensing can be found below in Table 1.

Table 1: Pet Licence Revenue in 2025

Licence Type	Total Licences Issued	Total Revenue
Dog	47,244	\$1,274,104
Cat	20,476	\$367,721
Total	67,720	\$1,641,825

DocuPet Pilot Project

Prior to 2024, pet licensing services were managed in-house by TAS staff using a system called ePet, which had limited capabilities and required modernization. Additionally, the City was experiencing decreasing levels of pet licence uptake, potentially due to reduced awareness or limitations within the existing system. In response to these issues, and as directed by Council, staff reviewed options to pilot a project with private issuers of tags on pet licensing. After a review of available service providers, staff identified DocuPet Inc. ("DocuPet") as the only suitable service provider offering third-party pet licensing services in Canada. DocuPet also includes features not available under the City's in-house system, including automated email notifications, an online lost pet finder tool, and a dedicated customer care centre.

After signing the pilot agreement in October 2023, the two-year pilot project with DocuPet was launched to the public in May 2024 to provide online pet licensing services on behalf of, and at no cost to, the City of Toronto. Services included intake and processing of pet licence applications and renewals, operation of a customer care centre, marketing to promote awareness of pet licence requirements, and communication to clients about their pet licence. The pilot program was originally scheduled to end on October 17, 2025, but was extended to August 17, 2026, to allow for ongoing contract negotiations. Since the launch of the pilot, TAS has seen both pet licensing rates and consumer experience improve, with pet licensing rates increasing by approximately 8.4% from 2022 to 2025. With the use of DocuPet, TAS staff resources that were previously dedicated to managing pet licensing administration were able to be reallocated to other priority areas within TAS.

During the original pilot, TAS received privacy complaints related to DocuPet's use of customer information, all of which have since been resolved. The Privacy Office made a several recommendations to ensure transparency with the public (such as enhancing

notification to the public about DocuPet's use of information), which were all implemented. TAS is committed to continued collaboration with the Privacy Office and Chief Information Security Officer as the updated contract is implemented.

Additional information on the pilot project, including its terms and results, is available in the previous report ([2025.GG22.11](#)).

Adoption of DocuPet for Pet Licensing Administration (2025 Report)

In June 2025, City Council authorized MLS to negotiate and enter into a non-competitive contract with DocuPet ([2025.GG22.11](#)). Through that report, City Council approved a total potential contract value of \$1,537,136, net of all applicable taxes and charges (\$1,564,190 net of Harmonized Sales Tax recoveries). Specifically, the City was to be responsible for both credit card processing fees and the cost of letters sent through Canada Post, which were covered by DocuPet during the pilot period. The report indicated that all costs incurred by the City as part of the DocuPet contract would be fully recovered through pet licensing fee revenue.

Credit card processing fees were expected to be charged on a per-transaction basis at a base cost of \$0.30 plus 2.9% of the total purchase price. While the number of transactions would vary annually, the report estimated that the average annual cost to the City would be approximately \$61,348 averaged over five (5) years. Similarly, the City was expected to be responsible for \$1.85 per mailed letter, resulting in an estimated average annual cost of \$74,852 averaged over five (5) years. Note that under the previous in-house model of pet licensing (ePet), credit card processing fees and costs for mailing renewal letters were incurred directly by TAS and included as part of Municipal Licensing and Standards' Operating Budget. The City is responsible for these costs whether services are provided in house or through DocuPet. A summary of previously approved costs can be found below in Table 2.

Table 2: Previously Approved Costs to the City (as per 2025.GG22.11)

Cost Type	Per Item Cost	Average Annual Cost
Credit Card Rate	\$0.30 + 2.9% per transaction	\$61,348
Mailed Letter Rate	\$1.85 per letter	\$74,852
Total		\$136,200

**Note: Average annual cost over five (5) years. Costs may be subject to annual inflationary adjustments.*

Additional Costs to the City (Current Request)

In addition to the costs outlined in the 2025 report, following further negotiations, the updated contract introduces incremental costs to the City associated with service delivery. The previously approved contract was intended to run over five (5) years from October 17, 2025, to October 17, 2030, following the conclusion of the pilot agreement.

However, due to ongoing negotiations, the pilot period was extended until August 17, 2026. As a result, the new proposed contract term would run from August 18, 2026, to October 18, 2030, representing a revised initial term of approximately four (4) years, compared to the initially approved five-year term, excluding the extension periods.

Since City Council's approval in 2025, and prior to finalizing the post-pilot contract, a more detailed assessment of program delivery costs, including technology platform maintenance and compliance with City policies, security and privacy requirements, identified higher-than-anticipated costs for DocuPet Inc. To offset these costs, DocuPet Inc. has requested additional fees to recover costs associated with license issuance and replacement tags.

The new costs represent per-licence and per-replacement tag rates, which support ongoing program delivery for DocuPet. Staff are supportive of these additional costs as they ensure DocuPet has the necessary resources to effectively deliver modern and responsive pet licensing services. The new estimated average annual cost to the City is \$434,592 averaged over four (4) years, representing an increase of \$298,392 compared to previous report. These costs are anticipated to be fully recovered through pet licensing revenue. Staff also propose amending existing pet licence issuance fee descriptions under Chapter 441, Fees and Charges, to clarify their use and to apply annual inflationary adjustments to align with operational practice for other animal-related fees (such as the fee to surrender an animal) and to offset future inflationary increases in the fees collected by DocuPet. DocuPet collects the revenue from pet licensing fees and additional donations on behalf of TAS and remits the net revenue to the City after deducting the amounts payable to them under the agreement. A summary of new costs proposed in this report can be found below in Table 3.

Table 3: New Costs to the City

Cost Type	Per Item Cost*	Average Annual Cost*
Credit Card Rate	\$0.30 + 2.9% per transaction	\$63,304
Mailed Letter Rate	\$1.85 per letter	\$75,886
NEW Licence Issuance and Replacement Tag Rates	\$4.00 per licence issued \$2.75 per replacement City standard tag issued or sold to a customer (where a City-issued tag has previously been provided)	\$295,402
Total		\$434,592

**Note: Average annual cost over four (4) years. Costs may be subject to annual inflationary adjustments.*

Transitioning from in-house pet licensing management to DocuPet (under the current request) is projected to increase the annual net benefit for 2026 by \$181,176 due to increased revenues from higher pet licensing uptake and decreased costs related to pet licensing administration. Table 4 below provides a breakdown of the projected annual benefit for 2026.

Table 4: Projected Annual Benefit of Continuing with DocuPet

		2023 Actuals (Pre-Pilot)	2026 Annual Projection (DocuPet)*
Sales	Volume	61,885 licences	65,268 licences
	Revenue	\$1,213,002	\$1,457,434
Costs	Mailed Letters Volume	63,850 letters mailed	41,082 letters mailed
	Mailed Letters Cost	\$88,730	\$74,213
	Credit Card Costs	\$26,556	\$53,253
	Staffing Costs	\$255,138 (3 full time employees)	\$45,122 (0.5 full time employees)
	NEW License Issuance and Replacement Tag Cost	N/A	\$261,092
Net Benefit (Revenue minus Cost)		\$842,578	\$1,023,754 (+\$181,176)

**Note: The annual projected benefit is based on the projected volume of pet licence sales in 2026. It is estimated that sales will increase 5% annually under DocuPet.*

Throughout the term of the contract, staff will continue to monitor the market to determine whether any new pet licensing service providers become available that would meet the requirements of the City. Should new service providers be identified, staff will consider options for a competitive procurement process at the end of the term with DocuPet.

Implementation

Negotiating this contract with DocuPet will provide continuity of service for pet owners by TAS. Should the recommendations in this report be adopted, Municipal Licensing and Standards staff, in collaboration with Technology Services and Purchasing and Materials Management, will work to formalize the non-competitive contract with DocuPet. As part of the transition, TAS will continue to explore the feasibility of implementing new practices and processes, including multi-year licences, to enhance pet licensing in Toronto.

The Fair Wage Office has reported that DocuPet has indicated that it has reviewed and understands the Fair Wage Policy and Labour Trades requirements and has agreed to comply fully.

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