



MIAMI BEACH

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LETTER TO COMMISSION

TO: Mayor Matti Herrera Bower and Members of the City Commission

FROM: Jorge M. Gonzalez, City Manager

DATE: September 17, 2009

SUBJECT: QUARTERLY STATUS OF THE CITY OF MIAMI BEACH BUILDING DEVELOPMENT PROCESS RECOMMENDATIONS AND OBSERVATIONS FROM WATSON RICE STUDY AS REQUESTED BY THE FINANCE AND CITYWIDE COMMITTEE

On August 13, 2008, the City entered into a contractual agreement with TCBA Watson Rice to conduct a Building Department Organizational and Operational Review. The consultants presented their final report and recommendations to the Finance and Citywide Committee on May 5th 2009.

The Finance and Citywide Committee accepted the consultant recommendations and asked the Administration to provide a written quarterly update in the form of a Letter to Commission (LTC) and an annual presentation to the Finance and Citywide Committee.

Attached is the first quarterly report. It outlines the progress made to date on all of the 24 initiatives recommended by the consultant. As you will see in the report, we have made a lot of progress over the last year.

Please feel free to contact me if you have any questions.

JMG/AR/ls

Attachment

**CITY OF MIAMI BEACH BUILDING DEVELOPMENT PROCESS
RECOMMENDATIONS AND OBSERVATIONS
FROM WATSON RICE STUDY**

STATUS REPORT AS OF SEPTEMBER 2009

1. Ensure that the Building Department's formal (and informal) organization and responsibility reporting structure is in compliance with the Florida Building Code.

Status: Implemented

The Building Department has undergone many changes in the past several years. These changes have included administrative items, changes in the organizational structure, and changes in systems and procedures.

The latest organizational structure adopted on October 27, 2008 ensured that the organizational alignment was consistent with the requirements of the Florida Building Code by allocating all of the positions performing responsibilities under the Florida Building Code to the Building Official.

Furthermore, the name of the Engineering Section was modified to the Governmental Compliance Section to eliminate any confusion as to the nature of their work. Additionally, Senior Management is ensuring that the informal organization follows strict adherence to the formal structure.

2. Separate the duties of fee assessment and receipt of fee payments.

Status: In progress

The Building Department has transferred one position to the Finance Department to handle these responsibilities and work is ongoing to document all the payment points and quantities/levels of work. The Finance Department is coordinating with the Human Resources Department to recruit for the position.

We expect that the transfer of responsibilities will be completed in Fall of 2009.

3. Implement customer service improvements.

Status: Ongoing

Customer service improvements are a continuous effort in any service organization.

Some of the efforts that we are working on include:

- The organizations' approach towards the customer begins at the top. Special emphasis is placed on senior personnel in the Building Department to have superior customer service skills.
- We discuss positive customer service experiences at our staff meetings and recognize those employees who have achieved positive experiences.

- We emphasize the City's Excellence Model standards for greetings, messages and call management to our employees.
- The Department has identified customer service courses that will be offered to our employees in FY 2009-10 and will schedule the appropriate training sessions for personnel.

4. Develop and implement a simplified permit fee structure and calculation methodology.

Status: In progress

The City selected Maximus Consulting Services in February 2009 to conduct a fee study. The study will analyze the city's direct and indirect costs, and develop a fee structure based on the level of effort dedicated to each permit.

Implementation Phases

Phase I - Develop Cost Findings

During this phase, the Consultant interviewed City's Staff to determine the level of effort involved with each of the processes. Based on these results, they presented to the Finance and Citywide Committee a recommendation to re-distribute the fees to ensure that all of the Departments involved in the Building Development Process recover the same ratio.

Phase II - Corroborate and Refine Consultants Results

The City is now working on corroborating the data provided by the Consultant and will verify the following:

- 1) Fee Categories
- 2) Permit Quantities
- 3) Time Estimate
- 4) Re-validate estimates against available time.

Phase III - Develop Fee Pricing

The Consultant will assist in creating a fee structure that is simple and closely related to the level of effort performed by the City. We will benchmark these fees against other municipalities to make sure that they are in line with what they charge. In addition, the fee structure will have a self correcting mechanism that will allow for re-adjusting if necessary.

We expect this fee study to be completed by October 2009.

5. Develop policies and procedures to implement the Private Provider process.

Status: Implemented.

The City of Miami Beach has completed the policies and procedures to manage the Private Provider Process and a program coordinator has been assigned.

6. Develop a system of exception reporting and staff accountability and responsibility reporting.

Status: On-going

The development of a performance measuring system is an on-going effort. To date, the Department has implemented monthly, weekly and daily performance measures.

The monthly measures include:

- Revenues by permit type
- Expenses
- Plan review turn-around time
- Number of expired permits

The weekly measures include:

- Average and Maximum Waiting Time to see a Permit Clerk
- Percent of customer waiting over an hour to see a Permit Clerk
- Number of Customer Served per Week
- Number of permit process thru 24 hour walk-thru process
- Number of Records Request Completed
- Records Management Average Turn-around Time
- Percentage of Records process within five day target
- Percent of buildings complying with 40 year recertification process
- Number of buildings that should have been notified of 40 year recertification and have not been
- Number of buildings that should have received a violation for failure to comply with 40 year recertification that have not received a violation
- Number of calls received per week by the call center
- Average duration of call (handle time)
- Percent of abandoned calls
- Average speed of answer

The daily measures include:

- Number of inspections with “no access” and daily audit control
- Daily audit by supervisor of 10% of building fee payments
- Number of plan reviews that are over the plan review target times
- Number of inspections carry-over to the following day

Other measures continue to be developed and documented to ensure that the information is reliable and replicable.

7. Require inspectors and reviewers to document and support plan or construction modifications that are in excess of established thresholds or requirements.

Status: Implemented and ongoing

The Building Department has implemented a procedure that requires inspectors to get pre-approval from their section chiefs prior to requiring a modification to the plans approved by the plans examiner. To the extent possible, the Chief consults with the plans examiner to ensure that he understands both points of view prior to making a final determination.

8. Provide adequate and timely training for staff.

Status: Implemented and ongoing

The Department has developed a Multi-year Department-wide Training Plan that identifies all of the requirements for each functional group of the organization. This Plan has been fully funded beginning in FY 2009-10, and will be implemented over the next three years.

Training needs will continue to be assessed and the Plan will be modified accordingly.

9. Enhance monitoring and control over Building Department fiscal operations.

Status: Implemented and ongoing

Beginning in FY 2008-09, the Department filled a position that has amongst its major responsibilities, the fiscal operations of the Department. The responsibilities of this individual include the preparation of the budget and the monthly monitoring of revenues and expenses for the Department.

These capabilities did not exist prior to this fiscal year. In past years, the Chief of the Elevator Section was responsible for the preparation of the department's budget.

10. Conduct a comprehensive review of the methodology used to calculate all fees and ensure that all documents containing fee information are consistent.

Status: Implemented

The Department performed a detailed quality control of all fee related publications to ensure that they were consistent with the Fee Ordinance and modified them accordingly.

Additionally, a quality control program was installed that requires the Permit Clerk Supervisor to randomly audit approximately 10% of the permit fees charged on a daily basis.

11. Provide adequate physical space for Building Department operations.

Status: In Progress

The Building Department was allocated additional space on the third floor of City Hall in order to be able to provide the space for the electronic plan review work stations. Additional customer service space will also be added to the second floor lobby to improve the functionality of the Department's processes.

To date, the inspectors have been relocated to the third floor, and the offices in the third floor have been refurbished. The second floor improvements are still under design and are expected to be completed by the early part of 2010.

12. Create and staff a high-level customer advocate (ombudsman) position responsive to customers interacting with building/development process departments.

Status: Implemented

The position of Inspection Services Coordinator was established and serves as the Department's ombudsman and quality control inspector.

This responsibility has been assigned to Mr. James Legget.

13. Require inspectors and reviewers to internally resolve inter-disciplinary, inter-departmental, and/or intra-departmental conflicts before they are communicated to the customer.

Status: Ongoing

This area continues to be one of the most critical areas to address, and a source of complaints from the customers. The Building Development Task Force has dedicated several meetings to identify the most common areas of inter-departmental conflicts and establish procedures to address them.

Additionally, procedures have been put in place that require inspectors and plan reviewers to discuss potential conflicts with their Chiefs prior to being communicated to the public.

Furthermore, the Directors of Planning, Fire and Building have agreed to hold inter-departmental staff meetings with all inspectors and plan reviewers to encourage inter-departmental communication and conflict resolution.

14. Use issues or conflicts as material for training of inspectors and plans reviewers.

Status: Implemented and ongoing

The department uses conflicts as a source of material during the Chief's staff meetings and the monthly general employee staff meetings. These are used to reinforce positive and eradicate negative behavior.

15. Consider outsourcing the Call Center operation.

Status: Implemented

Pursuant to RFP No. 08-08/09, dated January 28, 2009, the City of Miami Beach outsourced the Building Department's Call Center. Prior to April 22, 2009, customers experienced extremely long hold times, high abandonment rates and often never reached a live person to answer questions or provide customer support. After the Call Center's April implementation, callers can speak to a friendly, knowledgeable representative within seconds.

Approximately 50,000 calls are handled annually and the Department maintains at least an 80% customer satisfaction level. The initiative significantly increased the community's satisfaction with government, by striving for first call resolution and promoting excellent customer service.

Under the new system, the average response time is approximately five seconds and the abandonment call rate is about 4%.

16. Consider outsourcing the Permit Counter and Records Management Service areas.

A) Permit Counter:

Status: In Progress

The recommendation to outsource the permit counter is being included in the FY 2009-10 Budget. If this recommendation is adopted with the Budget, the Department will prepare an RFP to solicit providers for this service and a recommendation to the Commission can be presented in early 2010.

B) Records Management Service:

Status: Implemented

The Department has moved expeditiously to digitize most of the City's Building records thus reducing departmental personnel to a minimum level, and thereby pre-empting the need to privatize the service.

17. Analyze the effectiveness of the Department's technology solutions to providing customer support and;

18. Increase operating efficiency through the effective use of technology.

Status: Implemented and ongoing

The objectives of the Building Department's technology initiatives are to increase operating efficiencies and improve the customer experience through innovative and user friendly technology based solutions. The initiatives include: electronic plan review, central record automation, a new website, online forms, online permitting, handheld computers for inspectors, vehicle tracking systems, QMB walk-thru plan review queuing system, a new interactive voice response inbound call flow and the most ambitious initiative, the permitting replacement system.

The **electronic plan review system** offers design professionals an expedited, environmentally friendly, standardized method of review while adding consistency and accountability of the plan reviewers. The pilot implementation began in September, 2009 and full implementation is scheduled for March, 2010. The City is breaking new ground by collaborating with external agencies, like WASD and DERM, to participate in the electronic plan review system lead by the City.

The **central record automation** implementation began in early 2009. The digitization initiative has significantly reduced the turnaround time for records' requests from days to hours. The reduction in paper will save the City valuable resources and promote a 'green' environment. The initiative makes valuable information more accessible to the community. The target completion date for full record automation is December, 2010.

The Building Department launched an intuitively designed and highly functional **website** in January, 2009. Web-enabled features include online payments, the ability for contractors to pull sub-permits to approved master permits, and the capacity for home owners to pull 'remove and replace' type permits over the internet; these functions are being finalized. The Department is in the testing phase of accepting permit application forms online to continue to reduce over crowdedness in the lobby and expedite the permitting process.

Building inspectors are equipped with **handheld computers** that are used to enter real time inspection results; these results are displayed on the Department's website. The implementation eliminates the need for redundant entries, provides the ability to monitor inspection routes and increases accountability.

Vehicle tracking systems will be installed in the City inspectors' cars to improve daily efficiency and serve as an internal control tool. Two providers are currently being tested in anticipation of an early 2010 implementation.

The Department successfully launched **QMB- the plan review walk- thru queuing system**, in August, 2009. The application enables complete transparency for customers walking plans through the review process. This system is utilized by the City of Miami and was highly recommended by our customers as the best system around; QMB increases the community's satisfaction with the Department by expediting the review process and making the experience completely transparent to the customers.

A revised **interactive voice response (IVR)** call flow was designed and implemented in August, 2009. The new call flow provides for clear options to our customers addressing their most common questions. It also allows for a live response within approximately four seconds of selecting the option to speak with a representative.

The **permitting system replacement**, RFP 37-08/09, will include permitting, inspections, code enforcement and the business tax receipt. Approximately one half of City departments utilize the current permitting system. The new system will significantly increase operating efficiencies, provide extensive auditing and security capabilities, contain internal and external automated notification mechanisms to streamline operations and enrich the customers' overall experience with the Building Department.

The Building technology initiatives are increasing the community's satisfaction with City Government, making the City more user friendly.

19. Review and analyze staffing levels.

Status: Implemented and ongoing

As part of the FY10 Budget process, performance levels and standards were developed for all major staffing groups, and a mechanism was established to account for and monitor staffing levels based on fluctuations in demand.

20. Appoint an individual to coordinate the efforts of the building/development process departments.

Status: Implemented

In December 8, 2008 the Building Director was appointed to Chair the Building Development Task Force's Interdepartmental Team. As part of his role, Mr. Rey will facilitate communication and guide the process improvement initiatives among the Building Development Task Force team members. In addition, he coordinates responses and directs staff and resources to facilitate building development projects.

21. Develop a formal policies and procedures manual for all building/development process disciplines.

Status: In Progress

This is a recommendation that requires a large amount of staff resources to implement. We expect to document all the Department's processes during the implementation of the new permitting system. The manual will be completed concurrent with the implementation of the new system in late 2011.

22. Complete the process of developing plans review and inspection checklists.

Status: In Progress

The implementation of the plan review checklist is being performed concurrently with the implementation of the electronic plan review system, as this is one of the system requirements to ensure uniform review and standards.

The implementation of the inspection checklist will be completed with the implementation of the new permitting system, as the current system does not support the ability to have checklists that are targeted to a specific inspection type.

23. Enhance staff knowledge and use of Department technology.

Status: In progress

In general, the staff's knowledge of technology is very limited and it significantly diminishes their productivity. We intend to address this as part of the Department's training requirements.

24. Perform a comprehensive review and analysis of the Permits Plus system.

Status: In progress

The City's goal is to replace the Permit Plus system as soon as practical. The permitting system replacement, RFP 37-08/09, includes permitting, inspections, code enforcement and the business tax receipt. Approximately one half of City departments utilize the current permitting system.

The City received ten proposals in August 2009, and it is currently in the evaluation/selection phase. We expect to bring a recommendation for award to the City Commission in December 2009.