



# MIAMI BEACH

OFFICE OF THE CITY MANAGER

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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: November 1, 2010

SUBJECT: **ANNUAL STATUS REPORT 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 5, 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 annual report, outlining the progress made to date on all of the 24 initiatives recommended by the consultant. For ease of reading; we have underlined the progress made under each of the items since the last report.

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

Attachment

  
JMG/SG/CWC/KT/ls

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

**STATUS REPORT AS OF OCTOBER 2010**

**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 allocated 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. Finance is actively recruiting for this position.

In addition to their other responsibilities, Finance staff will be trained in the Building Department cashiering process. We expect that the transfer of responsibilities will be completed by the end of the first quarter of 2011.

**3. Implement customer service improvements.**

**Status: Implemented and 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.

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

**Status: Implemented**

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

The first reading of the Ordinance was unanimously approved on December 9, 2009 and the second reading was unanimously approved on January 13, 2010. The Fee Ordinance was successfully implemented on February 1, 2010.

We have now had approximately six (6) months operating under the new fee Ordinance, and have found areas where the fee structure needs to be clarified or additional categories created. The Administration will be bringing an item before the Commission in the coming months to address some of these glitches.

**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. A mechanism to collect data for some measures is still pending. Other measures continue to be developed and documented to ensure that the information is reliable and replicable.

- Temporary Certificates of Completion/Occupancy and Certificates of Completion/Occupancy issued. The objective is to limit the number of temporary certificates of occupancy and completions issued, and at the same time, balance the immediate needs of our customers.
- Inspection Rejection rates, per trade and per inspector. The objective is to standardize the level of reviews conducted by the various inspectors.
- TCC/CO and CC/CO weekly statistics (currently only monthly reporting). The objective is to track the level of property value added to the tax rolls.

- CC/CO turnaround time. The objective is to measure and improve the turn-around time for this final step in the process.
- Plan re-review rates
- Certificate of Use (CU) turnaround time
- Number of elevator inspections per week
- Number of past due elevator inspections
- Number of weekly citations issued
- Number of permit renewals and extensions granted
- Accounts payable turnaround time
- QMB process time statistics
- Number of expired TCOs

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 applications dropped off for processing
- 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

**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 suggesting 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 09/10, and will be implemented over the next three years.

Training courses employees have participated in include:

- LEED
- Flood Plain Management
- NFPA: NEC Essentials
- NFPA: Certified Fire specialist
- Elevator Safety Technical Advisory Council
- Certified Fire Protection
- Radical Process Improvement Seminar
- BOAF & FAPGMI Conference
- National Electrical Code Essentials
- Process Improvement: We Don't Make Widgets Academy

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**

In past years, the Chief of the Elevator Section was responsible for the preparation of the department's budget. Beginning in FY 08/09, the Department filled a position that has the fiscal operations of the Department amongst its major responsibilities. The responsibilities of this individual include the preparation of the budget and the monthly monitoring of revenues and expenses for the Department.

A Budget Forecasting Model was developed to analyze permit activity and revenue for accurate budget forecasting. Monthly budget meetings are held to review these results and to carefully manage Departmental operating expenditures and salary projections.

**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 and ongoing**

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. During the post-fee implementation period, 100% of the fee transactions were audited to ensure consistency with the adopted fee schedule.

**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. The inspectors have been relocated to the third floor and the offices on the third floor have been refurbished and occupied.

Additional customer service space is being added to the second floor lobby to improve the functionality of the Department's processes. A plans storage and a re-designed records management room, a payment and information kiosk, and the electronic plan review work station area were completed in March 2010. A monitor displaying news and advertising department initiatives has been mounted in the lobby to enhance the customer experience and promote new services. Phase III of the project, which is currently in design, includes an additional customer service window, upgrades to the lobby and the reconfiguration of some offices.

**12. Create and staff a high-level customer advocates (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.

**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 identifying the most common areas of inter-departmental conflicts and establishing procedures to address them.

On October 29, 2009, Planning, Fire and Building plan reviewers and inspectors met in the commission chambers to participate in a workshop to enhance inter-departmental communication. The initial meeting has already yielded some areas to enhance operational efficiency such as including required Fire inspections on particular permits. One of the Building Department's FY 09/10 initiatives was to create the ability to communicate between trades and departments. Communication has improved, but this initiative remains on the department's FY 10/11 scorecard because there is still opportunity for improvement.

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.

Directors of Planning, Fire and Building will continue 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 2009 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 2%. Weekly performance review meetings are held to ensure that the Call Center staff is accurately and adequately responding to the City's needs, and additional review meetings can be held if performance requires. Additionally, any escalated calls are directed to a City staff member. It should be noted that the number of escalated calls is less than an average of ten (10) per week.

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

**A) Permit Counter:**

**Status: On hold**

The recommendation to evaluate outsourcing of the permit counter was adopted in the FY 09/10 budget. The department outlined the scope of services for the privatization request for proposal as part of the FY 10/11 budget process. However, pursuant to negotiations between the City and the Communications Workers of America (CWA), the union that represents the Permit Clerk classifications, no employees were to be laid off for the FY 10/11 budget year. The City has shelved the idea of outsourcing the permit counter at this time.

**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. The first phase of the project was implemented on May 24, 2010. Additional processes are being implemented by City staff and will include CIP Office and Planning Department pre-development applications. 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 project is on-schedule and on budget.

The **central record automation** implementation began in early 2009. The digitization initiative has significantly reduced the turnaround time for *most* 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. All records dated from 1925 to present are available in digital format within a few days. The Records Section is in the process of splicing large records into individual permits. Once this exercise is complete, the records request turnaround time will be reduced from days to hours for *all* records. We hope to complete the splicing process by 2012, depending on available resources.

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.

**Automated Vehicle Locating systems** will be installed in the Building inspectors', Code Compliance officers' and Parking Department cars to improve daily efficiency and serve as an internal control tool. The City issued an RFP in July, 2010 that supports the development of an enterprise system to equip all City vehicles with the AVL system. A recommendation will be presented to the Commission as soon as practicable.

The Department successfully launched **QMB, the plan review walk-through 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 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 FY 09/10 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. Part time staff was hired to decrease wait time at the permit counter thereby reducing the average wait time from one hour to 30 minutes. Additionally, contracted services in the inspection and plan review disciplines provide for additional flexibility and long term cost savings for the department.

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

**Status: Implemented**

In December, 2008, the Building Director was appointed to chair the Building Development Task Force's Interdepartmental Team. The Building Director will facilitate communication and guide the process improvement initiatives among the Building Development Task Force team members. In addition, the Building Director 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**

The Department has contracted with a consultant who will, in conjunction with Florida International University (FIU), develop a formal manual of policies and procedures. The consulting firm started their work in October 2010, and will complete work by the end of the calendar year. FIU will use the consultant's input to create a final manual of policies and procedures.

**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 plan review checklists are incorporated into the electronic plan review process and are being implemented concurrently with the system.

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 and ongoing**

In general, the staff's knowledge of technology is very limited and it significantly diminishes their productivity. Department staff continues to identify and implement simple technology based solutions for existing operations. The Administrative Support Section has received additional Microsoft Office product training. Targeted systems training for the operating division will begin in the fall of 2010.

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

**Status: In progress**

Based on the review of the existing system, it was determined that the best course of action was to completely replace the system.

The permitting system replacement 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 City received ten (10) proposals from various vendors throughout North America, however the information technology advisory group recommended to the selection committee that all of the proposals should be disqualified because they did not meet the City technical standard. All proposals were rejected. A new RFP was issued and the City received eight (8) proposals. The evaluation committee has short-listed four (4) vendors for further evaluation by staff. Demonstrations by each of the four (4) vendors are underway. Working Teams comprised of key users throughout the City are evaluating each system and will provide their recommendations to the evaluation committee. The evaluation committee will then consider whether further physical evaluation (i.e. site visits to current user locations, on-site testing, etc.) is needed or if a recommendation can be made to the City Commission. It is anticipated that a new system will not be in place and fully operational for at least 18 months.