



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: August 2, 2011

SUBJECT: **QUARTERLY 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 PROJECTS 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 Projects Committee on May 5, 2009.

The Finance and Citywide Projects 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 Projects Committee.

Attached is the quarterly report, outlining the progress made to date on all of the initiatives recommended by the consultant. For ease of reading, we have underlined the changes made under each of the items since the last report.

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

Attachment

JMG/JGG/KT

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

STATUS REPORT AS OF JULY 2011

The following recommendations were previously reported with a status of "Implemented" or "Implemented and Ongoing".

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

3. **Implement customer service improvements.**

Status: Implemented and Ongoing

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

Status: Implemented

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

Status: Implemented and Ongoing

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

8. **Provide adequate and timely training for staff.**

Status: Implemented and Ongoing

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

Status: Implemented and Ongoing

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: Implemented and Ongoing

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

Status: Implemented and Ongoing

15. Consider outsourcing the Call Center operation.

Status: Implemented

19. Review and analyze staffing levels.

Status: Implemented and Ongoing

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

Status: In Progress

23. Enhance staff knowledge and use of Department technology.

Status: In Progress and Ongoing

The following recommendations have status updates:

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

A) Permit Counter:

Status: On hold – Review completed, subject to Union Collective Bargaining Agreement, September 2012

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.

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 Task Force's Interdepartmental Team. The Building Director facilitates communication and guides the process improvement initiatives among the Building Task Force team members. In addition, the Building Director coordinates responses and directs staff and resources to facilitate building development projects. During the past few months, while the Building Director position has been vacant, this responsibility has been assumed by the Building Official with oversight from the Assistant City Manager to whom the Building Department reports.

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 on-going 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 2011.

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

Status: Implemented and undergoing further evaluation

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.

Due to issues raised regarding the new fee schedule in the last several months, the item was discussed at the Finance and Citywide Projects Committee, where the Administration was directed to bring the item before the full Commission. An ordinance revising the fee schedule had its first reading at the July 13, 2011 City Commission Meeting. All recommended changes to fees were for reductions. The consultants are still reviewing some of the fees which will be addressed in the future. The Commission directed the Administration to revisit the fees again in the Spring of 2012 for the next budget cycle. The second reading for the ordinance is scheduled at the September 14, 2011 City Commission meeting.

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.

With the implementation of a revised fee schedule, the Building Department will again review all documents containing fee information to ensure accuracy and consistency.

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.

As part of Phase III of the project, the plans room was relocated to the records management office to streamline the handling of the plans, an additional customer service window has been added to the second floor lobby, office spaces were reconfigured, and a conference room was added. Improvements to the lobby area are still under construction.

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.

After further review and subsequent discussions with representatives of the development community, most specifically representatives of the Night Life Committee, the Administration determined that another representative of the Building Department assigned into such a role will assist with our customer relations. Ms. Barbara Hawayek, Customer Service Manager, has been assigned this liaison role beginning in June 2011. Ms. Hawayek's new responsibilities include acting as an ombudsman working as a resource for the public who may need assistance navigating the Building Department processes.

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 **Electronic Plan Review System**, the **Central Record Automation** initiative, an intuitively designed and highly functional **website**, the **QMB** (the plan review walk-through queuing system), **handheld computers**, and the **Interactive Voice Response (IVR)** have all been implemented. The **Automated Vehicle Locating (AVL) system** 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. Negotiations with the selected vendor have concluded and installation should begin shortly.

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

Status: In Progress

The Building Department entered into a contract with an outside consultant to complete a policies and procedures manual for the Building Department. A final draft has been submitted to the Building Department for review and finalization. Once the manual is finalized, staff will receive adequate training and copies to ensure that all staff are aware of the appropriate policies and procedures.

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, the business tax receipt process, and the special master process. 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 short-listed four (4) vendors for further evaluation. Demonstrations by each of the four (4) vendors are underway. Working Teams comprised of key users throughout the City evaluated each system and provided their recommendations to the evaluation committee.

On February 9, 2011, the City Commission authorized the Administration to enter into negotiations with Accela for their Accela Automation product. Negotiations were successfully completed and contracts executed.

The kick-off meeting for the project took place on July 18, 2011. The Analysis Phase is now underway. During this phase, Accela will hold working sessions with each of the impacted departments (Building, Planning, Fire, Public Works, GIS/Mapping, Finance, Code Compliance, City Clerk/Special Master, Parking, Sanitation, and IT) to review business processes and analyze department requirements.

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