PERMITS TASK FORCE

CENTRALIZATION AND COORDINATION OF THE PERMIT PROCESSES

PROPOSED VISION, PRINCIPLES AND GUIDELINES, PROCESS STRUCTURE, WORKPLAN AND TIMELINE FOR ACHIEVING THE VISION

November 9, 1994

The Permits Task Force was established by the administration in response to Council Tillery's request for review of the City's processes impacting individuals and businesses. The Task Force consisted of the directors of the departments of Buildings, Public Works, Water Works, Sewers, the CAGIS Administrator and the Acting Assistant City Manager. Consultation was made with other cities, private vendors, citizens and experts in compiling this report. A further implementation effort must be organized based on this report to include business and neighborhood representatives to advise on the permit process improvement envisioned in this report. The task force has researched the current status of the permit and license system within the City. Presented in this proposal are the results of that research and a proposed process for change. As adopted by the Permits Task Force:

The mission is to transform today's manual systems which are sequential, disjointed, and duplicative processes with conflicting requirements. Customer input will determine the need for a one-location, "one-stop" permitting center that includes most City permitting functions.

The vision is a permitting system which supports simultaneous parallel reviews by unlimited review partners using integrated processes and regulations.

The strategy is to use technology and workflow re-engineering as the means to accomplish the changes required. The CAGIS database and communication capacity, imaging technology and a shared permit/license software and database will be used to support the organizational transformations necessary to modernize the City's permitting, licensing, and inspection systems.

The plan is to focus initially upon two of the permitting workflows - the building permit and the street cut opening permit. Other permit/license workflows such as the subdivision approval process and the award of business licenses would follow the experience gained from the initial two processes.

The Building and Street Cut Permit workflows were selected because of the volume of permits and the multi-department nature of the review processes involved. Also considered was the impact that the information created by those two permit workflows has on the efficiencies of related processes throughout the City. Much of the base information used by all departments in the building layer on CAGIS is created via the Building permit workflow, and the data associated with infrastructure additions to the City utility systems are captured via the Street Cut workflow.
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The proposal reflects both the willingness of the administration to improve the responsiveness of the system to customer service needs and to take advantage of the efficiency opportunities presented by technology. The data collected on two of the permit workflows, the Building Permit and the Street Cut Opening Permit processes, are described in detail. The following information for the entirety of the City's permitting effort is presented: a list of permits provided by the departments involved; fees charged and average time delays to obtain permits; a list of permits provided by the departments involved - process owners and partners; and, resources devoted - numbers of personnel and salary value of the resources dedicated.

The proposal represents and presents the following:

A. A dedication to efficiently and effectively responding to the current needs of our customers by reducing the number of City employees involved, removing 90% of the internal paperwork, reducing the time involved by 50% and centralizing the points of customer contact with the system.

B. The automation of the existing permit system via the implementation of a centralized permitting database, scanning and other technology augmenting as well as accepting data from and contributing to, the CAGIS enterprise database.

C. An analysis of the appropriateness of the existing regulations (henceforth described as "business rules" of the Cincinnati Municipal Code) which support the City's permitting processes.

The proposal attached includes the vision that we are pursuing, the values and principles which will guide our efforts, the process, proposed structure for citizen, Council, and employee involvement, workplan and timeline for calendar years 1995 and 1996. We look forward to your involvement and direction.

The Membership of the Permits Task Force led by Kevin Shepard: The Water Works, Public Works, the Metropolitan Sewer District, and the Center.

This report was prepared by Barbara Quinn, CAGIS Administrator - R Center, and David Gack, Planning and Permit Supervisor of the Buildi assistant from Kevin Shepard from the City Manager's Office and Bill of Buildings. Involved in the process were personnel from the Buildin Department of Planning, the Department of Public Works, the Finance Health Department, the Department of Public Safety (Fire and Police), Parks and Recreation, the Cincinnati Water Works, the Metropolitan S additional members of the CAGIS staff.
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I. THE VISION

The mission is to transform today’s manual systems which are sequential, disjointed, and duplicative processes with conflicting requirements.

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The strategy is to use technology and workflow re-engineering as the means to accomplish the changes required. The CAGIS database and communication capacity, imaging technology and a shared permit/license software and database will be used to support the organizational transformations necessary to modernize the City’s permitting, licensing, and inspection systems.

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II. DETAILS OF THE VISION

The customer sees ONE STOP for applying, coordinating, and receiving permits.

ONE STOP Further Defined:
For two types of permits: repair in the Building Department, and lateral cuts in the Street Cut permits process, One-Stop can also be defined as the operation of the process requires only One Stop on behalf of the customer from the point of application through receipt.

New buildings, major repairs, and longitudinal cuts are processes which, today, often require multiple agency contacts and inspections to obtain reviews and approvals. In the vision, these approvals and reviews would be provided electronically rather than via the physical transfer of documents.
To a greater or lesser extent, all of the permit types other than the repair and one-stop require some type of on-site inspection prior to award and some level of review other than at the customer service counter.

III. QUESTIONS THE VISION REQUIRES US TO ASK WITH REGARDS TO THE PROCESS:

1. Our current system is based upon a thorough review of permits because of one bad experience in the past. Each permit will have to be assessed as to the risk and experience in incurring that risk. We will be querying whether it is possible to forego upfront review and handle the review after the fact in the field in addition to querying why we always send inspectors to the field.

2. Do our current rules require processing that contributes to the overall objectives or can the processing be reduced and still meet the objective?

3. Are our business rules so complex that it takes a supervisor rather than a frontline person to accomplish the task?

IV. MEASURABLE PERFORMANCE OBJECTIVES LINKED TO THE VISION

Reduce the paperwork involved with permitting by 90%.
Reduce the time period from application to award by 50%.

V. THE PRINCIPLES AND GUIDELINES PROPOSED FOR EFFECTING THE PROCESS RE-ENGINEERING

A. Accountability

- The City Council will be responsible for assessing the need for City services and how they should be financed.

- The City Manager will be responsible for organizing resources for effective and efficient service delivery.

- Each City employee is accountable for doing his/her job as productively as possible. Employees will be empowered to make decisions at the lowest appropriate level.

B. Quality & Excellence

- City services will be determined by the values and priorities of the community, not the organization.

  - The highest priority will be given to those services which serve customers directly.
Our goal is to achieve 100% of established customer service objectives.

C. Productivity

- We are proposing to use a managed vacancy program for reassigning employees. Under re-engineering, any filled positions identified for elimination will be handled by offering these employees retraining and reassignment to positions in high priority service areas. There will be no layoffs as a result of re-engineering.

- We want our employees to be motivated, well-trained and compensated fairly in order to provide the highest level of service to the public.

- We are open to use a variety of ways to streamline services and reduce costs. Strategies include ongoing analyses of operations, consolidation, privatization and application of latest technologies.

- Cost savings associated with eliminating staff time or total positions can be aggregated and actually realized through the budget process. The first such savings would be able to be realized in the 1996 budget update process.

D. Teamwork

- We value and emphasize teamwork. We encourage employee communications up, down and across organizational lines.

- We expect the team concept to result in a flatter organizational structure, inverting the traditional hierarchy and emphasizing bottom-up communication.

E. Openness

- We desire and expect all employees to challenge the traditional ways of providing services in an open, non-threatening environment.

- We will keep all employees fully informed of the process and decisions made on re-engineering.
We expect and invite citizen involvement and partnership in the implementation of this improvement project.

The City's permitting customers will realize efficiency savings also in both time and money when the City has successfully completed this project. Currently, a 10-day average time period accompanies the processing of City building permits. This project envisions a reduction to a same day service time. As an illustration of the cost-benefit to our customers, we note that financing costs for construction loans based on full collateralized three-year adjustable loans at 10% interest for structures valued at $150,000, $500,000 and $5,000,000 result in daily carrying costs of $42, $139, and $1,339 respectively to our customers. Thus, we can save a small business person that is renovating a building for $150,000, over $360 in carrying costs on their loan when we have installed a system enabling same day service for permit processing, rather than our current 10-day service. A developer building a $5 million project can save over $12,000 in financing charges when we speed up the permitting process.

IX. RECOMMENDED BUDGET

The City Manager's recommended '95-'96 budget includes funding for most project components. The budget could not support all of the estimated costs due to lack of funds, but the administration will re-evaluate reprogramming and 1996 budget update resources to assure the project stays on schedule.
VI. COMMITTEE STRUCTURE TO EFFECT THE CHANGE

The Task Force developed a decision process to implement the permit reengineering process. The decision principles for implementation are:

The ultimate authority on business rules regarding permits, contained in the Cincinnati Municipal Code, and appropriation of funds shall be the City Council.

The authority on the objectives, internal resource allocation and departmental dispute resolution on this project must be the City Manager.

Reengineering and computerization will be developed with the assistance of two committees which advise the City Manager or Assistant City Manager. First, the City Manager shall appoint a committee representing customer stakeholders of the various permit processes. The membership shall be drawn from the neighborhood association leadership, City Council, the CAGIS Board, the Implementation Committee Chairperson, as well as from the developer, architect, homebuilder, and contractor-small business community. This committee will be the focus for continuing the business rule evaluation already begun by the City Council and for developing and confirming the process customer performance criteria. A suggested roster of Committee representatives is attached.

Second, an Implementation Committee should also be appointed, consisting of managers and front line staff from the impacted departments. Their role is to establish the administrative vision, the principles and values which shall govern the conduct of the process, and the decision process which will be used - identification of issues and gathering of facts, work plan, communication plan, work schedule and dedication of resources. This team shall communicate up, down and across organizational lines. The focus for involvement shall be a 50/50 mix of personnel drawn from the ranks of first line supervision and direct customer service/permit review staff.

An interdepartmental team of technical support staff and resource experts in permit technology and the various types of City permit rules and regulations will also be formed to support the two Committees in their decision process. Overall coordination will be provided by the City Manager's Office. Periodic progress reports will be provided by the City Manager.
1995-1996 CIP  RCC/CAGIS Conversion and Document Imaging for Buildings and Inspections project $597,540

1995-1996 CIP  Citywide Permitting System project 233,703

1994 CIP  Public Works Permitting project

Reprogramming/1996 Budget Update

Total  $

Project Budget Expenditures

System Hardware $

System Software

System Support

Total  $

Assuming adequate funding is provided, the budget will support implementation of a citywide permitting system capable of delivering the benefits described in this report in two years time. To the extent full funding can be provided this schedule can be met.

X. CONCLUSION AND RECOMMENDATION

The Task Force has determined that it is feasible to replace the City’s permit process and system with a much more efficient, modern system that will enable City customers to be served in a more timely, complete one-stop type of service approach. It requires a significant investment of resources to achieve this service improvement, but the benefits will justify the investment.

It is recommended that City Council direct the City Manager to proceed with organization of the system implementation outlined herein. It is also recommended that City Council approve the project budget.