



Office of the City Manager

INFORMATION CALENDAR

October 15, 2019

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: Timothy Burroughs, Director, Planning and Development Department

Subject: Audit Update: Construction Permits: Monitor Performance and Fee Assessments to Ensure Excellent and Equitable Customer Service

INTRODUCTION

On March 25, 2014, the City Auditor submitted a Construction Permits audit report¹ to the City Council with recommendations to improve customer service and equity, reduce the risk of theft, improve efficiency, and increase fee revenues to the Planning Department. In the most recent status update, dated March 12, 2019, solutions to 16 of the 19 original findings had been deemed implemented.

The purpose of this information item is to update City Council on work done by Planning and several other City departments to close the three remaining findings, and to deem the full set of original 2014 audit recommendations resolved.

CURRENT SITUATION AND ITS EFFECTS

As of the writing of the March 2019 status update report, the three recommendations still open were tracked as “Partially Implemented”. In each of the three cases, full implementation relied on significant technological solutions in collaboration with the City’s Information Technology (IT) Department. In the intervening months, in conjunction with the IT and Finance departments, Planning made several major decisions to implement alternative solutions to fully resolve the remaining findings.

Finding 1.2 from the original audit regarded customer wait times in the Permit Service Center (PSC). Since early 2018, the finding has been tracked as “Partially Implemented.” Planning has taken significant steps to revise policies and procedures, address staff training needs, and add staff capacity to reduce customer wait times. The finding was not deemed “Fully Implemented,” however, because no new customer wait time tracking system had been installed to allow verification and monitoring of wait times. In July 2019, the Planning Department completed a request-for-bid process and the City is now in contract negotiations with a vendor that provides a state-of-the-art

¹ Audit: Construction Permits – Monitor Performance and Fee Assessments to Ensure Excellent and Equitable Customer Service:

http://www.cityofberkeley.info/Clerk/City_Council/2014/03_Mar/Documents/2014-03-25_Item_27_Audit_Construction_Permits.aspx

customer queue management and appointment system, which will solve this remaining issue. The product allows customers to make appointments and check wait times remotely, via smartphone, or within the PSC using City-furnished iPads. The product provides real time wait and queue data, as well as analytics of longer periods. The adoption of the technology is designed to both reduce PSC wait times and provide Planning with the data tools necessary to monitor the customer waiting periods and publicize that information for accountability and performance improvement. Planning expects to be under contract with the new vendor by the end of September 2019. Software implementation and staff training will take four to eight weeks.

Findings 1.4 and 1.5 from the 2014 audit regarded the usefulness and reliability of reports generated from the City's digital permitting system. At the time of the 2014 audit, Planning had entered into contract with Accela, Inc. for a new system to replace the antiquated HTE (FUND\$) system which served that purpose. As Council has been advised in several other reports, Accela is not meeting the needs of the City for reporting, permit issuance, financial system compatibility, and a number of other essential parts of the permitting system. On July 2, 2019, following comprehensive preparation by Planning, IT, Finance, and a wide range of other City stakeholders, the City issued a Request for Proposals (RFP) for a new digital permitting system. The RFP is designed to enable the City to procure a new off-the-shelf system that requires minimal customization (the extensive customization and IT resources required by the Accela system have been a significant, ongoing challenge). The new system will be cloud-based and not require extensive City-side server resources. It will integrate the functions of multiple City departments and divisions involved in the permitting processes, will be required to have full functionality on day one of implementation (and not be phased), and will come with out-of-the-box reporting capacities which will fully address the goals identified in the City Auditor's original 2014 report.

With these two changes, to install a new state-of-the-art queueing solution for the Permit Service Center and to procure a new digital permitting system, Planning and its City partners have taken the steps necessary to reach Alternative Implementation status for the three remaining findings from 2014, thus allowing the audit to be deemed resolved. Please see Attachment 1 for a detailed table of audit report recommendations, corrective action plans, and implementation progress.

More broadly, and as discussed separately with Council on several occasions, the Planning Department is more than two years into a Customer Service Improvement initiative, with major goals affecting not only the Permit Service Center, but also the Building and Safety Division, the Land Use Planning Division, and the office of the Planning Director. This initiative is making ongoing major improvements to ensure excellent and equitable customer service, the main goal of the Auditor's 2014 report. In addition to the investments in customer-serving technology described in this report, the Planning Department has taken numerous other steps to advance customer service. As

reported in detail at a City Council Worksession October 9, 2018², some of the steps taken and underway include:

- Updated submittal guidelines and checklists, to help clients know rules and application requirements before they visit the PSC.
- How-To Permit Guide³, providing applicants with clear instructions on how to check the status of their permits applications, or any past City permits, how to upload building plans and resubmittals, and to schedule inspections, among other online tools
- PSC Open House, first held on December 6, 2017, with another planned for October 16, 2019, introducing Berkeley residents and businesses to the PSC and staff from all Planning divisions.
- Better defined roles, clarifying the exact duties of each staff person within the PSC, and setting performance benchmarks from which the PSC's success will be evaluated.
- The Zoning Ordinance Revision Project, underway for over a year, will deliver a revamped Zoning Ordinance written for clarity and ease of use for the benefit of all Berkeley homeowners and builders.

The Planning Department will keep City Council and the community informed regarding progress on customer service improvement efforts, including the technological aspects discussed in this audit status report.

BACKGROUND

Construction permits are primarily handled by the Planning Department's Permit Service Center (PSC), within the department's Building and Safety Division. The PSC provides permit application intake and payment and plan check coordination services for a variety of permit applicants. The PSC also hosts staff from other divisions and departments who are often called to the counter to assist customers with particular questions or needs. The Building and Safety Division also includes Building Inspection, Housing Inspection, and Plan Check, and works closely with representatives from the Fire and Public Works Departments.

ENVIRONMENTAL SUSTAINABILITY

Operations of the Permit Service Center include integration with the City's Office of Energy and Sustainability and provide a variety of resources to encourage green building materials and techniques.

² https://www.cityofberkeley.info/Clerk/City_Council/2018/10_Oct/Documents/2018-10-09_WS_Item_02_Planning_Department_Service.aspx

³ https://www.cityofberkeley.info/uploadedFiles/Planning_and_Development/Level_3_-_Building_and_Safety/OnlineBuildingPermitsGuide.pdf

POSSIBLE FUTURE ACTION

The Planning Department expects to enter a contract within the City Manager's spending authority for new customer queue management software in September of this year. Planning also expects to bring a contract authorization request to the City Council by early 2020 to enter into agreement to implement the next digital permitting system.

FISCAL IMPACTS OF POSSIBLE FUTURE ACTION

Funding for the new customer queue management and digital permitting systems is available in the Permit Service Center fund, comprising fees paid by permittees, including a specific technology fee set aside for such needs.

CONTACT PERSON

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Attachments:

1: Audit Findings, Recommendations, and Management Response Summary table

Audit Title: Construction Permits: Monitor Performance and Fee Assessments to Ensure Excellent and Equitable Customer Service	
Recommendations	Planning Department Response and Recommendation Status
Finding 1: Management lacks information needed to effectively monitor performance and ensure excellent and equitable customer service.	
<p>1.2 Develop policies and procedures that identify not-to-exceed goals for customer wait times and methods to reduce high wait times when they occur. Methods should avoid using supervisors to perform staff work (see related Finding 2 and Recommendation 2.1). When wait times exceed the established goal, PSC management should investigate the reasons to understand why and adjust the policies and procedures as necessary to ensure they are designed to minimize customer wait times as described.</p>	<p>Status: Implemented, September 2019.</p> <p>Corrective Actions Taken:</p> <p>1. From previous Audit Status Updates:</p> <p>Initial Status, 4/7/15: Partially Implemented: Wait time goals are established.</p> <p>Status Update 9/15/15: Partially Implemented: no change in status.</p> <p>Status Update 2/28/17: Partially Implemented. A wait time goal of 30 minutes has been set. However additional measures need to be taken before we can achieve this goal. In conjunction with City Information technology staff, PSC management are creating a process map of the permit intake workflow, to culminate with a Business Needs document. This will prioritize changes to PSC customer queueing software, Accela software, and business processes which will ultimately optimize the intake process and reduce wait times. PSC staff expect that these improvements will reach a level which will allow this finding to be deemed "Implemented" within six to 12 months.</p>

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	<p> Status Update 3/13/18: Partially Implemented. A wait time goal of 30 minutes has been set. PSC staffing practices have been revised to more quickly expedite customer visits (see Findings 1.3C and 2.1). Electronic plan submittal has sharply reduced the time spent on over-the-counter plan review and the number of plans rejected for resubmittal (Finding 1.3D). Anecdotally, staff believe PSC wait times have been meaningfully improved. However, the PSC currently lacks a system to automatically track actual customer time spent. With City IT support, staff are reviewing software options to govern queueing and measure wait times. Once installed, and in conjunction with improvements to Accela configuration and PSC business practices, staff expect that this finding will be able to be deemed "Implemented" by Fall 2018. In the meantime, a manual customer routing and tracking system has been implemented. </p> <p> Status Update, 3/12/19: Partially Implemented (no change). At this writing the City concluded protracted contract negotiations with Nemo-Q, the selected vendor to install its latest customer queueing and wait time tracking equipment. The Nemo-Q system is expected to be installed in the PSC by the end of March, 2019 and will subsequently allow the setting of baseline data to demonstrate continuous improvement in reducing customer wait times in the PSC. </p>

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	<p data-bbox="1062 428 1598 456">2. New since last Audit Status Update:</p> <ul data-bbox="1157 469 1885 1349" style="list-style-type: none"> <li data-bbox="1157 469 1885 613">• The City is in negotiations for a contract with a leading appointment and queue management solutions company, to guide and monitor PSC wait times. <li data-bbox="1157 621 1885 691">• The new system is projected to go live in the PSC later in the fall of 2019. <li data-bbox="1157 699 1885 844">• Customers will be able to make PSC appointments and check in remotely, reschedule as needed, and resume their place in line if they need to leave and return. <li data-bbox="1157 852 1885 964">• Technology will allow customers to use their own smartphones for access, or make use of City-furnished iPads within the PSC. <li data-bbox="1157 972 1885 1084">• Customers will get real time updates on current PSC wait times, to plan whether to drop in for quick business. <li data-bbox="1157 1092 1885 1237">• The system will support periodic reports on customer wait times, times which tend to be more or less busy, and help identify any bottlenecks the City can work to correct. <li data-bbox="1157 1245 1885 1349">• Real-time waiting periods and monthly/periodic wait time analytics can be published on the City website for customers to evaluate. <p data-bbox="1062 1398 1268 1425">3. Challenges:</p>

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	<ul style="list-style-type: none"> • It took much longer than expected to identify good solutions for queue management within the constraints of City contracting and IT capacity, and in a rapidly evolving technological field.
<p>1.4</p>	<p>Routinely verify the reliability of reports generated by the building permit module (and Accela, after implementation) to ensure the information is accurate and reliable to use to monitor performance and improve customer service.</p> <p>Status: Alternative Implemented, July 2, 2019</p> <p>Corrective Actions Taken:</p> <p>1. From previous Audit Status Updates:</p> <p>Initial Status, 4/7/15: Not Implemented. Business practice analysis and initial configuration of Accela are completed and a number of reports are included as part of the configuration of the program. Programming is ongoing with an expected implementation of the new system by December 2015.</p> <p>Status Update 9/15/15: Not Implemented; no change in status expected until after Accela roll-out Dec. 2015.</p> <p>Status Update 2/28/17: Partially implemented. Most basic reports have been implemented in Accela, however development of reports to meet staff needs is an ongoing process. Validation of such reports is a necessary part of the development process.</p>

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	<p data-bbox="1205 383 1890 570"> Status Update 3/13/18: Partially implemented; no change from last update. Significant IT resources will be required to develop and validate required reports. Those resources are currently dedicated to more immediate priority Accela configuration needs. </p> <p data-bbox="1205 578 1890 805"> Status Update 3/12/19: Partially implemented (no change). Development and validation of reports to meet business needs has been a lower priority for limited IT resources than the more fundamental daily operational Accela challenges. The process for fixing and/or replacing Accela system is underway. </p> <p data-bbox="1062 821 1602 846"> 2. New since last Audit Status Update: </p> <p data-bbox="1108 870 1869 984"> The audit recommendations assumed the new-at-the-time software, Accela, would resolve various concerns. However, Accela ultimately never met the City's needs. </p> <ul data-bbox="1157 1000 1890 1421" style="list-style-type: none"> <li data-bbox="1157 1000 1869 1114">• On July 2, 2019 the City issued a Request for Proposals (RFP) for a new Digital Permitting System to replace the Accela system. <li data-bbox="1157 1122 1890 1421">• The specifications for the new system were written to avoid some of the issues which handicapped Accela. <ul style="list-style-type: none"> <li data-bbox="1255 1195 1869 1349">○ The new program will not be highly customized, as Accela was, and thus will not require so many ongoing IT and external support resources to keep it operating. <li data-bbox="1255 1357 1869 1421">○ The new program will be cloud-based not hosted on City servers

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	<ul style="list-style-type: none"> ○ All product features, especially those which integrate multiple City departments, will be available from program onset, rather than being phased in over time. ○ Implementation will be a deliverable required of the vendor, together with the City, so that successful staff training and support are built in from the outset. ○ The new program will provide intuitive systems that are easy to navigate for both customers and city staff ○ Data and information will be more easily accessible to both internal and external consumers ○ Technical support will be provided by the vendor for both customers and city staff ○ Implementation will include a review of the departments current practices as they compare to industry best practices ● Numerous quality proposals were received by the City on the RFP due date of Aug. 20. At this writing, a high-level committee of City staff are reviewing the submittals, and are putting test versions of the software through rigorous user testing. ● Planning intends to bring a recommendation for a contract award to the City Council before the end of 2019, followed by a thorough staff training and

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	<p>implementation process, with a goal of going live with the new product in the summer of 2020.</p> <p>3. Challenges:</p> <ul style="list-style-type: none"> • Accela is designed to be an enterprise-wide software program, with full integration across multiple City operations, including Finance, Public Works, Fire, and others. Berkeley’s implementation of Accela never reached that point. Instead, plans for phasing in new functions took a back seat to daily challenges of keeping the highly customized basic configurations running to meet the City’s daily needs.
<p>1.5</p>	<p>Work with Information Technology to ensure that the Accela software is configured to require staff to input the information listed below and that it is incorporated into system reports. Require Planning management to regularly review the reports and use the information to monitor both individual and overall department performance, and to develop and implement changes in practices to improve service delivery through increased efficiency and timeliness. Recorded and monitored information should include:</p> <p>Status: Alternative Implemented, July 2, 2019</p> <p>Corrective Actions Taken:</p> <p>1. From previous Audit Status Updates:</p> <p>Initial Status, 4/7/15: Partially Implemented. Business practice analysis and initial configuration of Accela are completed and these items have been built-in to the architecture and basic functionality of the program. Several items are automated in the configuration, including: the amount of time spent performing each plan review, the number of times a set of plans was resubmitted, and the reasons for resubmittal of plans. Programming is ongoing with</p>

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<ul style="list-style-type: none"> • Start and end dates and times for each phase of the plan check process, and the specific reason(s) for each missed turnaround goal. Management should identify a list of reasons that will allow them to determine changes needed to improve performance. • Amount of time spent performing each plan check review. • Number of times plans were required to be resubmitted before Planning had sufficient information to review them, and the reason for each resubmission. 	<p>an expected implementation of the new system by December 2015.</p> <p>Status Update 9/15/15: Partially Implemented; no change in status expected until after Accela roll-out Dec. 2015.</p> <p>Status Update 2/28/17: Partially Implemented. The 'BP Plan Check Turn Around' report was developed to indicate the number of plan checks completed and those completed within the estimated completion date. This report is currently used to monitor overall plan check performance. Full implementation of all three sub-findings listed here will depend upon full use of Accela's Ad Hoc reporting capacity, which is pending further IT department work.</p> <p>Status Update 3/13/18: Partially implemented; no change from last update. Significant IT resources will be required to develop and validate required reports. Those resources are currently dedicated to more immediate priority Accela configuration needs.</p> <p>Status Update 3/12/19: Partially implemented (no change). Process for fixing and/or replacing Accela system is underway, in conjunction with City IT Department.</p> <p>2. New since last Audit Status Update:</p> <ul style="list-style-type: none"> • On July 2, 2019 the City issued a Request for Proposals (RFP) for a new Digital Permitting System

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	<p>to replace the Accela system, which ultimately never met the City's needs.</p> <ul style="list-style-type: none"> • The specifications for the new system were written to avoid some of the issues which handicapped Accela. <ul style="list-style-type: none"> ○ Reports on time spent in Plan Check, along with all parts of the building permit process, will be included as out-of-the-box functionality in the selected new system ○ Plan check functionality will be supported by Blue Beam software, a tool used industry-wide. This will provide consistency for both customers and city staff.

