



# MIAMI BEACH

OFFICE OF THE CITY MANAGER

**NO. LTC # 028-2012**

LETTER TO COMMISSION

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

FROM: Jorge M. Gonzalez, City Manager

DATE: February 2, 2012

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 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 quarterly report, outlining the progress made to date on the remaining 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 if you have any questions.

Attachment

  
JMG/JGG/SS/KT

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

**STATUS REPORT AS OF JANUARY 2012**

The previous Status Reports reported several recommendations with a status of "Implemented" or "Implemented and Ongoing". To simplify these quarterly reports, those items will no longer be reported again unless there is a change in status in any of those items.

The following recommendations have status updates or are still underway:

**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. However, the department continues to evaluate the productivity and cost effectiveness of the permit counter as it is currently configured.

**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.

**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. Finance has filled this position. The staff person has been trained on the EDEN financial system, and has trained in the Building Department cashiering process. In addition, the Building Department is in the process of procuring two payment kiosks that will handle all transactions being paid by credit card or check. All cash payment transactions will be handled by the Finance Cashier located on the first floor of City Hall. We expect that the full transfer of responsibilities and implementation of the kiosks will be completed within the first half of 2012.

#### **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.

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 (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, and was adopted at its second reading at the September 14, 2011 City Commission Meeting. All recommended changes to fees were for reductions. In addition, a key provision was added to the ordinance whereby any permit fee (including all City department permit fees, but not including any outside agency fees or surcharges) calculated at time of permit application submittal is greater than ten percent (10%) of the value of construction as declared on the permit application, the permit fee will be reevaluated by the Building Official or designee. Any refunds due to the customer will be issued at the end of project construction.

The Committee suggested trying this methodology for a year's time and tracking the results. Feedback would be taken and a discussion of the re-evaluation would be discussed at the same time as the discounts and CPI to see if this methodology is the best practice or if further refinements are needed.

The consultants have completed their review of the fees, and the Administration will be presenting additional fee revisions recommended by the consultants to the Committee in early 2012 as part of the next budget cycle.

#### **10. 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 new 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.

A brand new conference room equipped with a state of the art Smart Board was completed. Lobby improvements have also been completed. Newly designed signage has been installed.

**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**

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 has been installed in the Building inspectors, Code Compliance officers, and Parking Department cars to improve daily efficiency and serve as an internal control tool. The department is also in the process of replacing its permitting software, Permits Plus. Please see recommendation number 24 below for further details.

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

**Status: In Progress**

An outside consultant completed a high-level overview policies and procedures manual for the Building Department, which has been posted on the Department's website. Department staff is now developing more detailed policies and procedures to serve as an instructional training manual. In addition to being available on line, the Policies and Procedures Manual will be distributed to all department staff. Staff will receive adequate training and copies to ensure that they 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, the Special Event permit 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 were provided. 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.

Project Kick-Off took place in July 2011. During this quarter, Accela and its partner consultant, Kings Canyon Technologies, have finished conducting their system configuration analysis for 80% of all work processes to be included in the system. This phase entailed holding multiple sessions with all the affected departments to learn each department's business processes. The consultants will finish the remaining work processes and then take that information back and begin configuring the system based on the City's processes, which will then be reviewed by the appropriate staff. The system is currently scheduled to "go live" in December 2012.

The following initiatives have been implemented, or are implemented and ongoing, and will no longer be reported on again unless there is a change in status:

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

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