

**DATE:** July 29, 2008

**TO:** Mayor and City Council

**FROM:** City Manager

**SUBJECT:** Authorization for the City Manager to Execute a Professional Services Agreement with Strutech in an Amount Not to Exceed \$35,000 to Conduct Building Permit/ Development Process Audit

### **RECOMMENDATION**

That Council approves a resolution authorizing the City Manager to enter into a contract for professional services with Strutech to evaluate and make recommendations related to the building permit and development application processes.

### **BACKGROUND**

Council has raised concerns regarding the efficient and effective processing of building permits and development related applications. City staff has also received occasional feedback regarding our internal processes as being slow, unresponsive and inconsistent in these service areas. To better understand these concerns, Staff requested funds in the recently approved FY09 budget for the hiring of an outside consultant to review our processes and make recommendations. This effort also supports the City's upcoming efforts to enhance our Economic Development program by strengthening our reputation as being an approachable and business friendly place to locate new business as well as supporting our existing businesses.

### **DISCUSSION**

The regulations related to development and building construction are complex and require a balance between the regulatory nature of these efforts and the City's need to be responsive and facilitative in problem solving with our customers. Cities often receive complaints from customers that believe the processes are burdensome and unwarranted. The true nature of these complaints must be understood for us to improve our services.

The use of an outside evaluator of our services is valuable to our efforts. The consultant will have several key objectives:

- Examination of the organization structure supporting the development and permitting process

- Analyze workload and staffing levels in the Permit Center

Identify management and organizational improvement opportunities

Assess service delivery methods used in permit processing and recommend improvements

Benchmark available performance measures against industry best practices

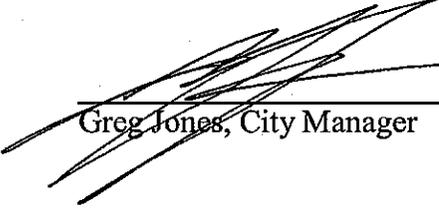
Conduct a focus group of customers to hear directly of concerns and experiences

### **FISCAL IMPACT**

The proposal (attached) provides for a not to exceed amount of \$35,000. Council's recently adopted budget includes \$100,000 in the City Manager's Office budget for this study and related implementation costs.

### **NEXT STEPS**

Staff will begin working with the consultant in early August. It is expected the study will be completed by the end of September and that staff will evaluate the recommendations for implementation at that time.



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Greg Jones, City Manager

Attachments: Work Plan Proposal—Strutech  
Resolution of Authority

## **Work Plan Proposal for the City of Hayward Development Application and Building Permit Process**

This is a proposed work plan for the Study and Evaluation of the City of Hayward's Development Application and Building Permit Process, herein referred to as "the Study".

The intent of this work plan is to adequately address the project's scope of work. The primary purpose of this study is to identify opportunities for improvement in building permit processing within the department with a focus on efficiency, effectiveness and overall customer satisfaction.

### **Objectives and Scope**

In requesting a work plan proposal to conduct this study of the City Manager identified several general study objectives. They are to:

1. Examine and analyze organization structure, reporting relationships and spans of control for all divisions involved in the development and permitting process;
2. Analyze and assess workload and staffing levels in the Permit Center as well as in the Building Division, considering existing service delivery policies, standards and methods;
3. Compare existing workload with current staffing levels to identify any imbalance and recommend staffing changes if appropriate;
4. Identify management and organizational improvement opportunities;
5. Analyze workload indicators and program management efforts;
6. Assess the Community and Economic Development Department's existing organization culture;
7. Assess the overall effectiveness of division managers and supervisors regarding performance, workload, personnel management and technical capacity and make recommendations for improvement;
8. Assess service delivery methods used for permit processing and recommend improvements;
9. Benchmark available performance measures against industry best practices and provide analysis.

## **Work Plan**

This section contains a brief description of the work plan that will be used by our assessment team to conduct the study.

### **Task 1 – Project Initiation**

A variety of activities will be performed to initiate the project. These activities are described below as sub-tasks.

**Task 1.1 - Meet with City Manager, and the Department Director** - As a first step in the study process, the consultant will meet with this group to review and confirm the work plan and project timing.

**Task 1.2 - Meet with Community and Economic Development Department major work unit managers and supervisors** - The consultant will meet with the management cadre to review the work plan and obtain input.

**Task 1.3 - Brief employees and distribute survey** - The consultant will schedule employee briefing sessions that will include a review of the work plan, project timing and the importance of employee input. A goal of this study will be to obtain input from as many hands-on employees who are involved in the permitting process as possible.

### **Task 2 – Data Collection**

The consultant will require a significant amount of information about the structure, organization, and operations of the CEDD as well as general information about the City. The specific tasks in the data collection process are described below:

**Task 2.1 - Prepare Data Collection Checklist** - The consultant will prepare a comprehensive data collection checklist and provide it to the division managers immediately after receiving notification to proceed with the study. Examples of the type of information that will be included on the checklist are listed below.

- Community and Economic Development Department budgets for the past five years;
- Community and Economic Development Department and City organization charts;
- Staff listing by title;
- Community and Economic Development Department annual reports for the past three years;
- Community and Economic Development Department management reports for the past

year;

- Mission statement, goals and objectives for each unit in the CEDD;
- Community and Economic Development Department policies and procedures manuals if available;
- Position classification plan;
- Agreements with employee organizations;
- Hayward demographic data and population estimates;
- Staffing schedule and hours of operation; and,
- Listing of Community and Economic Development Department facilities.
- Work unit performance measures; and,
- Multi-year plans (infrastructure, land development, etc.)

**Task 2.2 - Review Data** - All of the data collected will be reviewed by the consultant prior to conducting interview (described in Task 3). The review of the data will provide important information by allowing our team to benchmark service and efficiency such as cycle times for plan review and the percentage of building permits that are checked over-the-counter. This information will make the interview process more productive and efficient.

### **Task 3 - Interviews and Observations**

The consultant will conduct individual and group interviews in each of the major work units as well as making direct observations of selected service and field activities.

**Task 3.1 - Schedule and conduct interviews** - The consultant will conduct a variety of interviews with various staff members of the Community and Economic Development Department. The interviews will be scheduled in advance and will require from one-half to two hours. Those who will be scheduled for an interview include:

- City Manager;
- Assistant City Manager;
- Department Director
- Key senior staff that interface with the community and;
- Heads of the major work units; and,

- Selected supervisors and employees.

The consultant will conduct personal interviews with the staff members listed above. Employees not scheduled for an interview but who request to be interviewed, will be accommodated if possible. The purpose of the interviews is to help the consultant gain an understanding of the organization, workload, staffing, services, and service delivery methods.

**Task 3.2 – Observations** - In addition to conducting individual and group interviews, the consultant will also make direct observations of some of the activities performed by the units in the CEDD.

#### **Task 4 – Surveys and User Focus Groups**

Two surveys will be conducted in order to obtain information from as many sources as possible.

**Task 4.1 - Organizational Climate Survey** - This survey involves a confidential assessment of employee attitudes regarding a variety of operational and organizational issues. It is used as a method of assessing overall employee morale. The responses submitted from the employees will be analyzed against a number of demographic and organizational variables. This survey supports internal documentation and data collection efforts, while maximizing employee participation.

**Task 4.2 - Management/Supervisor Questionnaire** - A questionnaire form will be used to obtain operational information from all of the managers and supervisors in the department and divisions being studied. This information will be used to solicit and assess the views and opinions of the supervisory chain of command.

**Task 4.3 – Focus Group** - In evaluating customer satisfaction, the consultant would like to incorporate input from the customers. This subtask requires identification of customers in all aspects of the development process. The latter allows us to gather a rounded set of information and feedback on the level of satisfaction as well as ideas in improving the City's services. We will ask that the City provide a list of 10-15 users of the development process to contact and assist the consultant in the solicitation of information if necessary.

**Task 4.4 – Counter Surveys** - A survey will be put at public counters in the Permit Center for the general public to provide feedback over a 30 day period. The results of this survey will provide additional information regarding the “non professional” developer accessing the building permit process at the Permit Center.

#### **Task 5 - Initial Assessment**

After completing the above tasks of the work plan and before conducting the detailed analysis, the consultant will convey verbally to the City Manager his initial assessment of the CEDD. The

purpose of this task is to obtain clarification and any other necessary input from management regarding the study.

### **Task 6 - Perform Detailed Analysis**

The detailed analysis for the Study will be conducted in this task. The analysis will include the following:

### **Task 7 - Draft Final Report**

After completing the detailed analyses the consultant will prepare a draft final report for review by the City Manager.

### **Task 8 - Final Report**

After completing the review of the draft final report the consultant will perform any needed follow-up analysis and make any needed factual corrections. This will result in the final report and completion of the project.

The eight tasks described above incorporate all of the activities that will be performed by the consultant to complete the CEDD Organizational and Management Study.

### **Consultant Qualifications**

Hamid Pouya and Nicole Kissam will work as a team for this project. Below is the brief qualification statement for both members:

**Hamid Pouya** has been a practicing professional engineer with over 24 years of high quality service experience. This experience ranges from high level management of municipal departments that included building inspection, housing, and code enforcement to process and management assessment consultations for local jurisdictions in the Bay Area, to actual professional engineering practice. The municipal management experience covers his service at the cities of Concord, Sunnyvale and Milpitas, all with reputations of being first class cities with excellent operational processes and customer service. Hamid holds Bachelors and Masters of Science degrees from the University of Texas in Austin.

**Nicole Kissam** is currently a vice president with the matrix Consulting Group in Palo Alto, CA. She has several years of experience in city government, public sector consulting, marketing, and public relations. Ms. Kissam has been a financial and management consultant to local governments for more than four years. Prior to joining the Matrix Consulting Group, she performed and managed cost allocation, operational/user fees, and revenue analyses in more than 30 city and county jurisdictions. With broad experience across many municipal functions, Ms.

Kissam has established a special knowledge of processes, practices, and cost recovery in the community development area. Nicole holds a B.S. degree in International Business Administration from California Polytechnic State University, San Luis Obispo.

### Timing and Costs

The Consultant is prepared to begin the Study on August 1, 2008. A draft final report of the project will be completed by September 30, 2008. The final report will be completed ten days after the draft final report has been approved by the City Manager.

We estimate that this study will require 200 hours of work in total. Below is a break down of the time required for each task.

1. Initial Interviews	20
2. Data Collection and Review	30
3. Interviews and Observations	32
4. Surveys and Focus Groups	20
5. Initial Assesment	8
6. Detailed Analysis	50
7. Draft Final Report	30
8. Final Report	10
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Total	200

The hourly rate and work percentage split for this project is presented below:

Hamid Pouya	\$190	50%
Nicole Kissam	\$170	50%

The consultant agrees to a not to exceed amount of \$35,000 for completion of all objectives and work product identified in this proposal

Should the City of Hayward require the consultant to return to Hayward after delivery of the final report to the City Manager for the purpose of additional briefings or presentations, then the consultant will be reimbursed for reasonable travel expenses and consultant's hourly rate of \$200.00 will be charged for those hours of **actual engagement**. In these instances the consultant will not charge for his travel time to and from the briefing or presentation locations.

Respectfully Submitted,

Hamid Pouya, P.E.

