



PERMITTING SERVICES DIVISION

SPECIAL PROJECT

Release Date: April 17, 2006

Report No. 06-10

CITY OF ORLANDO

OFFICE OF AUDIT SERVICES AND MANAGEMENT SUPPORT

Beryl H. Davis, CPA, CGFM
Director

George J. McGowan
Manager

Maryann M. Bonk
Performance Optimization Manager



CITY OF ORLANDO

MEMORANDUM

To: Tanja D. Gerhartz, AICP, Economic Development Director

From: Beryl H. Davis, CPA, CGFM, Director
Office of Audit Services and Management Support

Date: April 17, 2006

Subject: Permitting Services Division Special Project (Report No. 06-10)

At your request, we have performed a review to assess the workload of the Permitting Services Division inspectors to determine whether the number of inspectors needs to be increased. We reviewed historical information and a consultant report on the performance of the Permitting Services Division, observed permitting inspectors during a typical workday and performed other procedures we deemed necessary to effectively make this assessment.

Our review was performed in accordance with Generally Accepted Government Auditing Standards. The attached PowerPoint presentation explains in more detail the objective, scope, and methodology of this review, as well as our activities, findings, conclusions and recommendations.

We understand you are in concurrence with the recommendations. We would like to thank the employees and management of the Permitting Services Division and the Economic Development Department for your cooperation, collaboration and support during this engagement. If you have any questions or would like further information, please contact me.

BHD/gjm

Attachment

c: Honorable Buddy Dyer, Mayor
Cheryl J. Henry, Chief of Staff
Byron W. Brooks, Chief Administrative Officer
Rebecca W. Sutton, Chief Financial Officer
Timothy L. Johnson, Permitting Services Division Manager

Permitting Services Division Special Project

- Objective – Assess the workload of the Permitting Services Division inspectors to determine whether the number of inspectors needs to be increased.
- Scope – Performance information of Building, Electrical, Mechanical and Plumbing inspectors from October 2001 through December 2005; current observations of inspectors.
- Methodology:
 - Review backlog and projections of the number of inspections.
 - Review actual and expected performance of inspectors.
 - Observe inspectors to understand customer demand and to verify performance information.
 - Survey other governments, developers, professional resources.
 - Analyze information to conclude what options exist for meeting demand.

Background

- The Permitting Services Division is in the Economic Development Department and is responsible for Construction Permits, Plans Review, Inspections, and Business Licenses.
- Inspectors are responsible for inspecting all new construction and alterations for compliance with applicable Florida and national building and related codes. Inspectors are required to be licensed by the State of Florida.
- In FY 2005, over 125K inspections were performed by the Division.
- At March 31, 2005 the Permitting Services Division Field Inspection and Review Program had 31 employees.

Activities and Findings

- Reviewed information from peers and professional organizations on performance standards for permitting inspection. Found an average number of 15 inspections per day per inspector with ranges from 10 (Insurance Service Office, Inc.) to 18 (Pinellas County).
- Analyzed historical Permitting Services Division performance using information from the City's Performance Optimization system. Determined the average number of inspections performed per day per full time equivalent employee.
- Analyzed information on the number of "roll-overs" experienced in calendar years 2004 and 2005. Roll-overs are inspections that could not be completed on the day scheduled and are moved to the following day. Determined the possible effect of adding additional inspectors to alleviate roll-overs.

Activities and Findings (continued)

- Met with City Planning officials and learned that economic conditions and future projects indicate a continuation of high permitting activity.
- Discussed interim findings with Permitting Services Division management and were informed that they have requested **six** additional inspectors to meet inspection needs.
- Observed four permitting inspectors complete a full day of inspections. Found that they are very productive, conscientious and busy.
- Reviewed the recent project completed by KPMG regarding the cost of the permitting function. Found it comprehensive, detailed and informative. Obtained an understanding of the methodology used to analyze inspector work activity. Concluded that it tends to inflate the hours needed to perform permitting tasks and, therefore, projects a higher number of inspectors than what is needed to meet demand.

Activities and Findings (continued)

- Surveyed three developers familiar with the activities of the permitting inspectors. Found them generally satisfied with the service and efficiency of the inspectors.
- Summarized the staffing options available and determined the significant “pros” and “cons” for these options (see following page).
- Concluded that historical activity and production, current customer service demand and future economic activity indicate a need to increase the number of permitting inspectors (see following page).

Summary of Staffing Options

- Expand by adding contract/temporary staff
 - PRO: allows flexibility and ease in adding/subtracting inspectors
 - CON: additional administration, difficulty in hiring, lower productivity
- Use a private inspections company
 - PRO: can supplement current staff during high demand
 - CON: additional administration and re-checks, no continuity in staffing, customer service may be affected
- Increase number of permanent inspectors
 - PRO: reduce current backlogs and “roll-overs,” demonstrates commitment to customer, heightens effectiveness
 - CON: difficult to cut back once hired

CONCLUSION: Increase Number of Inspectors using one or more of these options.

Increase Number of Inspectors

- The total number of inspections rose 24% in FY2005 (from 102K in FY2004 to 126K in FY2005). (See Chart 1)
- The average number of inspections per inspector per day for FY2005 was 23.
- Analysis of calendar year 2004 and 2005 roll-overs shows that between 3 to 5 additional inspectors (using an average of 15 inspections per day) could have alleviated this condition. (See Chart 2)

Increase Number of Inspectors (continued)

- Analysis of last two fiscal quarters shows that 6 to 8 inspectors were needed to reduce average number of inspections per day to 15. (See Chart 3)
 - This data uses information on building, electrical, mechanical and plumbing inspections only to focus on core demand.
 - Our research shows that an AVERAGE of 15 inspections per day per inspector is a reasonable standard for an effective permitting function.
 - An effective permitting function ensures complete inspections, limited roll-overs, regular training, documentation, administrative duties and other qualitative factors.
- Analysis of historical data shows that the number of inspections performed is rising. (See Chart 4)

Recommendations

The Permitting Services Division should:

1. Increase its number of inspectors by **six** to reduce backlogs, meet customer demands and increase customer satisfaction.
2. Analyze economic development activity, with assistance from City Planning, to forecast future customer demand for permitting services.
3. Determine performance standards for the average number of inspections that should be performed each day by its inspectors.
4. Identify an acceptable level of “roll-overs” and include this as a performance goal in its annual Business Plan.

Recommendations (cont.)

The Permitting Services Division should:

5. Use the forecasts and performance standards to evaluate staffing levels and report to the Director its projected staffing needs.
6. Review the current re-inspection fee to determine whether raising it will decrease the number of re-inspections.
7. Discuss with Fleet Management what options exist for assigning a vehicle to act as a “spare” vehicle for its inspectors.
8. Determine and report the benefits and efficiencies of its take home vehicle “pilot” program.

Chart 1
Total Inspections per Fiscal Year

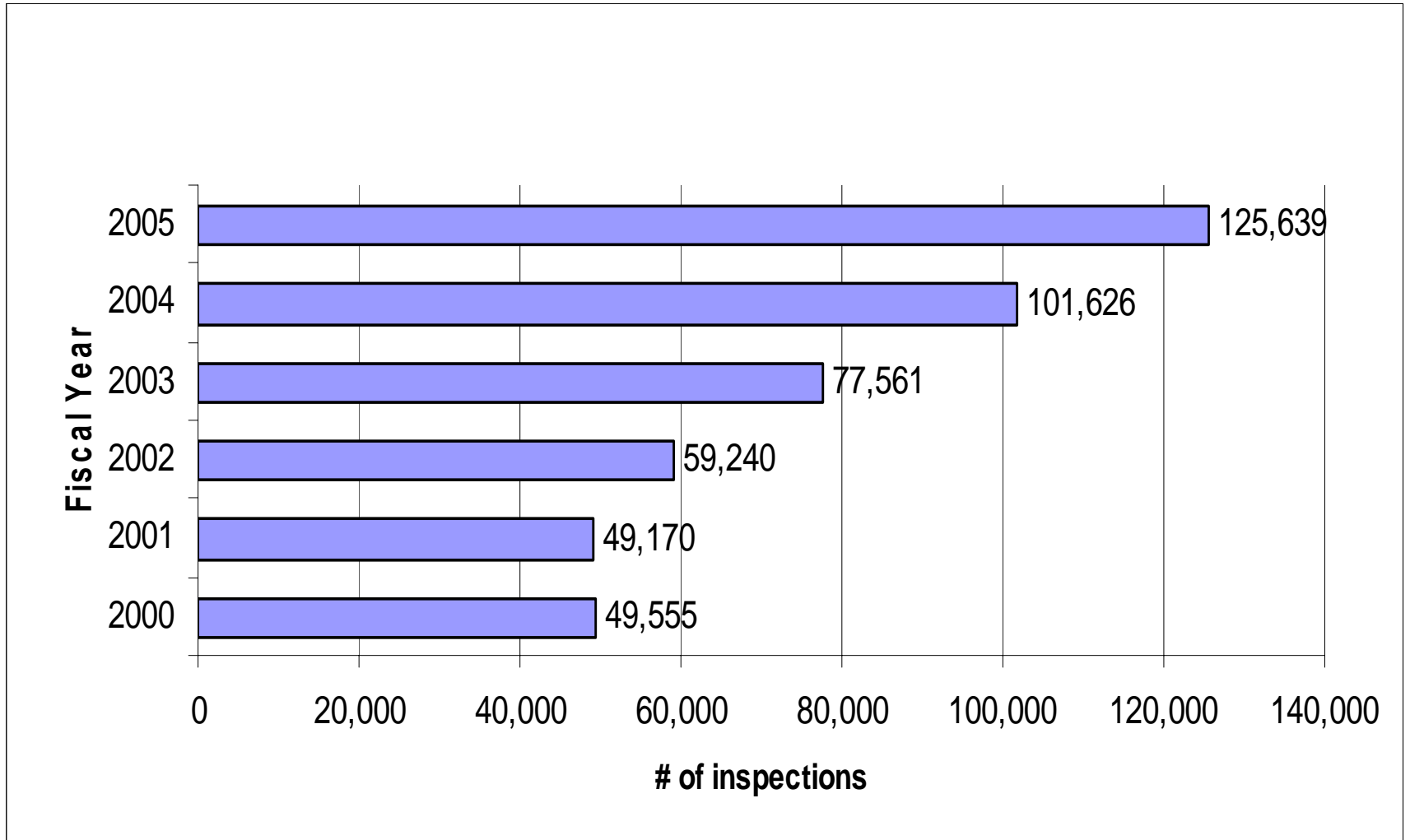


Chart 2

Number of Inspections Needed to Alleviate “Roll-overs”

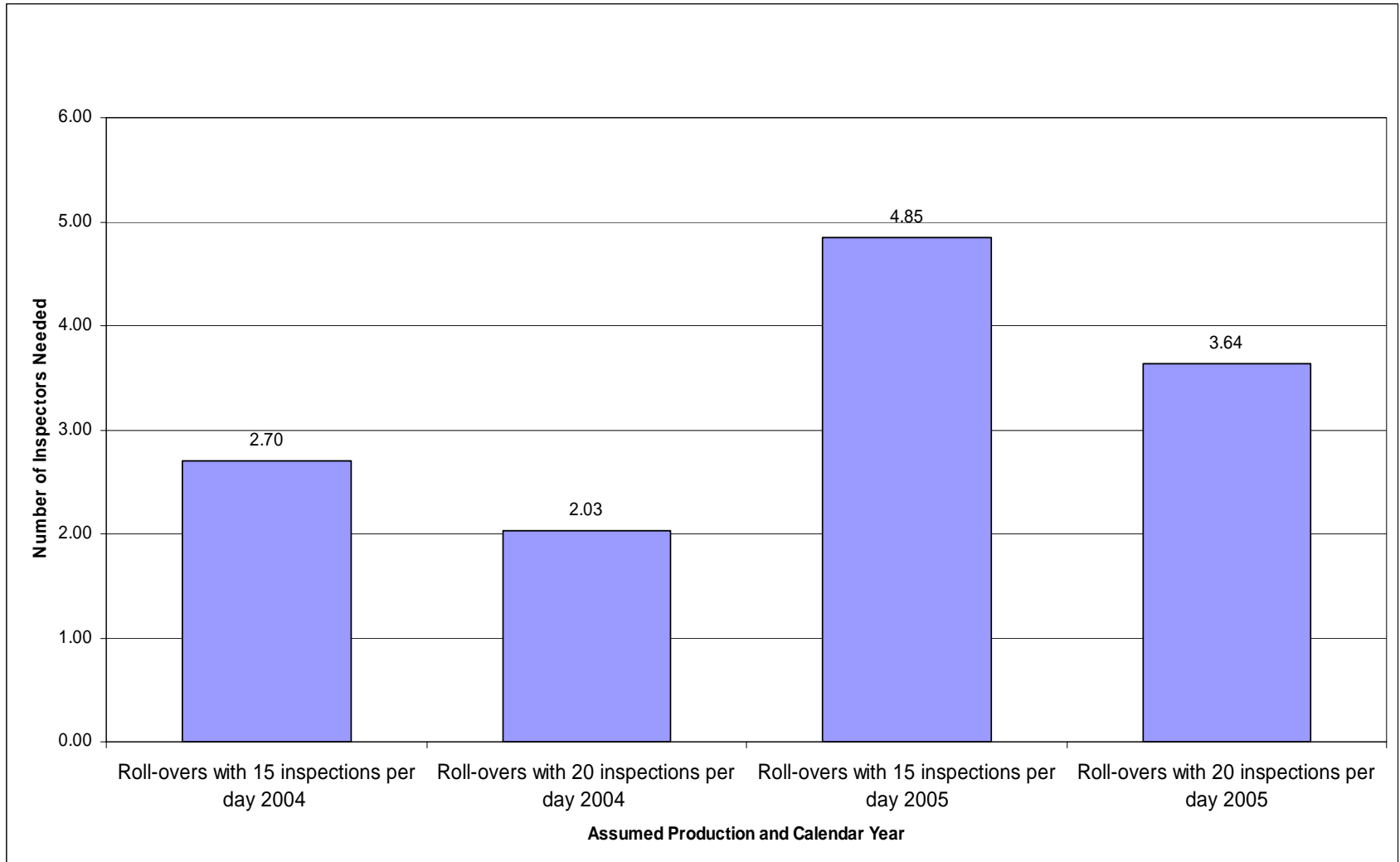


Chart 3

Additional Permitting Staff Needed for 15 Inspections per Day

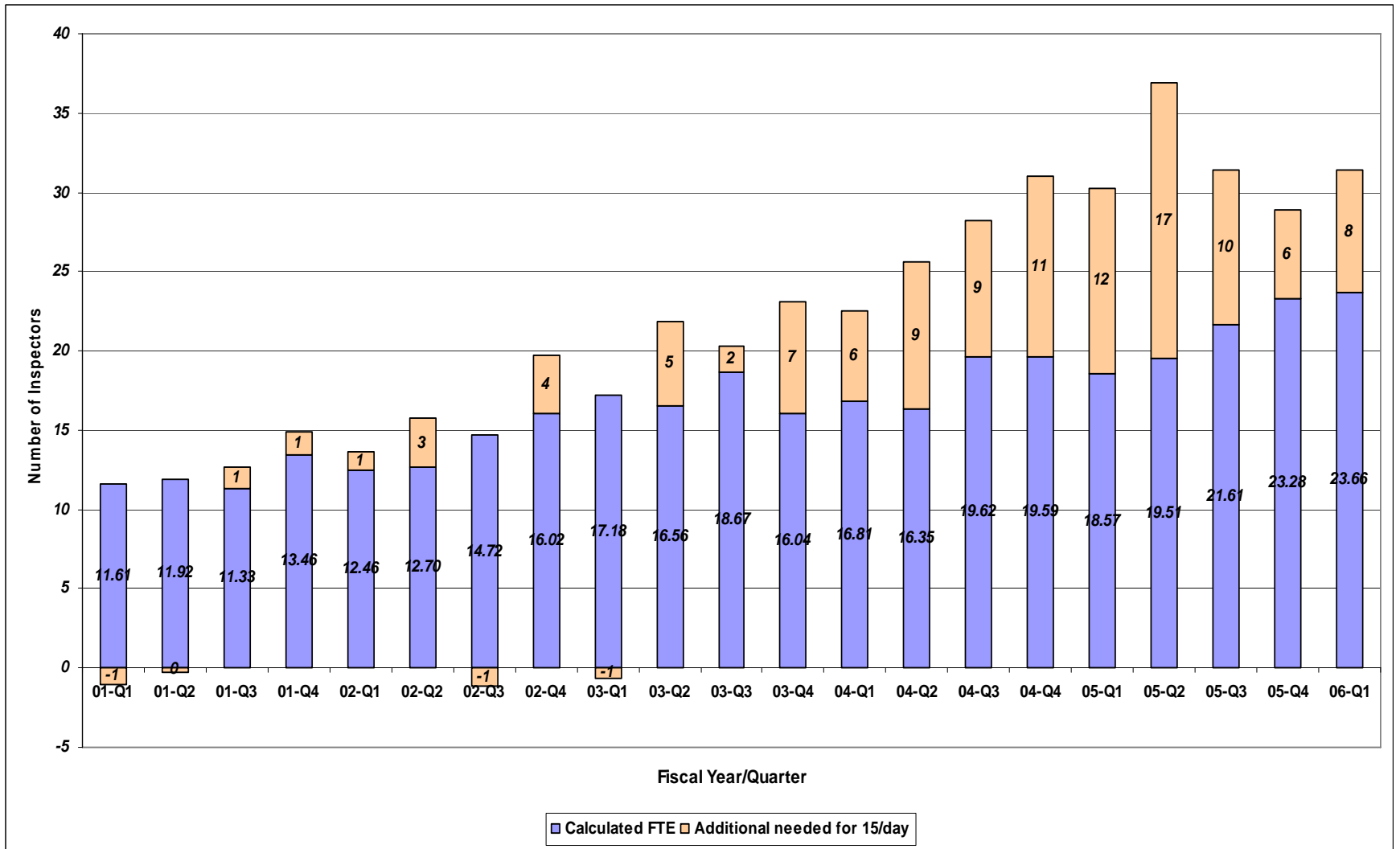


Chart 4

Actual Inspections/FTE/Day vs. 15 Inspections/FTE/Day

