

C. PROJECT APPROACH AND SCHEDULE

This section of our proposal outlines our proposed approach to providing the requested services to the City of Peoria, Illinois for the Review of Building Inspection and Code Enforcement functions. We have provided sample work plans outlining the approach we would undertake to complete the operational and staffing review and the fee schedule development and a comprehensive project schedule.

1. PROPOSED PROJECT PLAN FOR OPERATIONAL AND STAFFING REVIEW.

The following tasks summarize our approach to conducting the requested services and conducting a comprehensive evaluation of the City of Peoria's building inspection and code enforcement functions.

Task 1 Identify Key Issues and Trends Impacting Operations and Develop Profile of Operations.

To realistically assess the building inspection and code enforcement processes, it is important to develop some sense of where the City of Peoria is going, and the key issues which impact and shape service requirements. To develop this perspective, we plan to conduct a series of initial interviews with City management, Departmental Managers, and key supervisors that are involved in the building inspections and code enforcement processes to identify the key factors impacting operations. Specific issues receiving emphasis by the project team would include the following:

- Basic service delivery goals and objectives of key operating areas including, building inspection and plan checking, code enforcement response, and the like.
- Identification of key issues impacting service delivery.
- Documentation of key trends in Peoria related to physical growth patterns.
- Concerns expressed by the customers regarding the building inspection and code enforcement processes utilized by the City of Peoria.

These initial interviews will provide an opportunity to identify and isolate factors and constraints which impact current or near-term operations.

To develop a comprehensive understanding of the organization and operations of the building inspections and code enforcement process, we would complete the basic work steps defined below.

- Develop an understanding and map key processing steps and the parties involved in each step of the process. This includes processes such as:

- Building permit plan checking,
 - Building permit inspection,
 - Building permit issuance, and
 - Code Enforcement process (both complaint-driven and proactive).
- Interview all staff involved in the building inspection and code enforcement processes focusing on such issues as:
 - Basic work responsibilities.
 - Basic workload and allocation of available time by major task and work responsibility.
 - The processes linking the divisions and departments involved in their respective processes.
 - Documentation of individuals' attitudes toward key strengths and weaknesses of the existing organizational approach. This would include their respective abilities to handle current and expected future workload.
- Interview staff in other City functions that are essential to an effective building inspection and code enforcement process (such as IT and Legal).
- Develop a detailed description of service demand and workload trends relating to building inspections and code enforcement over the past several years.
- Document current performance targets related to turnaround times for service delivery.
- Document the current coordination mechanisms and procedures in place to coordinate the building inspection and code enforcement programs among the different divisions and departments.
- Document major management and information systems available to support operations such as:
 - Geographic information systems including the type of system used (such as ArcInfo), the number of layers maintained, and how GIS is utilized in such areas as citizen access, whether the system can be utilized by staff to readily determine whether the application meets policies for rezoning, and to provide an accurate portrayal of land use by parcel, etc.
 - Inspections, Permitting and Code Enforcement tracking systems.
- Document the policies and regulations utilized by employees involved in the building inspections and code enforcement. This would include the development of an understanding of policies and procedures regarding building inspection services, code enforcement processes, and the cost recovery policies of the City for these functions.

- Document the building permit and code enforcement staffing, revenue and expenditure trends for the past several years.

Once these initial data collection activities have been completed, we will prepare a profile describing the development process organization, operations, and workload patterns. Once the profile has been prepared, it will be circulated within the Department as well as to the project steering committee, to ensure accuracy.

Task Result: Detailed profile of the building inspection and code enforcement processes for the City of Peoria.

Task 2 Assess the City of Peoria's Building Inspections and Code Enforcement Processes Against Best Practices.

The purpose of this task is to evaluate the City of Peoria's building inspections and code enforcement processes in the context of best practices. This task would not only assess the current performance of the City, but also ensure that the City possesses adequate benchmark measures against which to evaluate work activities in the future.

The project team would compare the City against 'best practices' in the building inspection and code enforcement industry. This will include the application of best practices for all aspects of their processes and service delivery. In our experience, analyzing these issues, we have developed a number of 'standards' of efficiency and effectiveness that can be used against most jurisdictions. Examples of these quantitative and qualitative measures for building inspections might include:

- On-line submittal of minor building permits such as re-roofs, sewer lateral replacement, water heater change outs, and water services using an effective automated permit information system;
- Interactive voice response (IVR) system to enable customers to schedule inspections after hours and find out the results of those inspections;
- Remote inspection data entry by building inspectors;
- Use of a common automated permit information system shared by all of the departments and divisions involved in the development process;
- Twenty-four hour (one workday) turnaround time to building inspection requests;
- Cycle goals or performance targets for the completion of building permit plan checks;
- Over-the-counter building permit plan check for minor permits such as single family home remodels (non-structural);

- A “one-stop shop” that co-locates all of the departments involved in the development review process.

The end result of this task will be a detailed comparison of the City of Peoria’s building inspection and code enforcement programs against recognized best practices utilized by progressive and high-performance governmental entities. We will note whether the best practice is currently being performed by the City, or whether it is an opportunity for improvement. Each identified opportunity for improvement will be analyzed and considered as a potential process improvement / recommendation.

Task Result: Detailed best management practices assessment of the City of Peoria’s building inspection and code enforcement processes.

Task 3 Evaluate the Building Inspection and Code Enforcement Processes.

We will conduct a comprehensive evaluation of the building inspection and code enforcement processes to identify opportunities to streamline and more proactively manage the processes while providing the desired level of service to the community. For recommended changes, we would provide an updated process map showing the impact on the current practice.

We would then evaluate these processes from a number of perspectives such as the examples presented in the sections below.

- Identify the degree to which key projects or work tasks are not being accomplished due to lack of staff, and assess the extent to which these tasks could be absorbed through streamlining of work processes, if at all.
- We would also assess and evaluate major enabling legislation and city policies regarding their impact on staff activities and service delivery. We would evaluate these policies and procedures from a variety of perspectives, including: clarity of these regulations, the ability to reduce or simplify them to improve service delivery, identify unneeded or duplicative steps, evaluate opportunities to automate steps, and evaluate opportunities to eliminate unnecessary approvals.
- The effectiveness with which the City’s automated information systems are utilized for effective service delivery and communication with the public.
- Evaluate methods of increasing transparency in the processes for the public.
- Evaluate alternative service delivery approaches that could be implemented to increase service delivery to residents / customers. These alternatives will be drawn from our experience evaluating these services nationally.
- Evaluate alternative policies or procedures for consideration by the City of Peoria to address high priority service delivery issues.

The analysis of these issues needs to reflect the unique nature of the City and its service desires and targets. Potential improvement opportunities will be discussed with staff and the project steering committee.

Task Result: At the completion of this task we will summarize our evaluation of the building inspection and code enforcement processes in an issues listing of preliminary recommendations regarding process improvements and operational changes that should be considered by the City.

Task 4 Evaluate Staffing and Organizational Structure.

This task involves an evaluation of organizational structure, staffing requirements and staff utilization for the City for those staff involved in the building inspection and code enforcement processes. It will include drawing on the results of previous tasks. We will address this issue by employing several different approaches, such as the following:

- Identify the degree to which each of the divisions utilizes contractors to perform specialized tasks and the department's philosophy and guidelines for use of contractors (such as the use of contractors for workload peaks versus ongoing workload).
- Evaluate opportunities to simplify or reduce staff workload. This analysis would focus on such issues as the use of technology to reduce the workload of staff or the opportunity through process changes.
- Assess the efficiency and effectiveness with which the staff in each service area (building inspections and code enforcement are being utilized and the associated workload).
- Recommend an organizational structure for the Building Inspections and Code Enforcement operations.
- Recommend a staffing allocation outlining the number and types of positions that should be utilized by the City of Peoria to provide building inspection and code enforcement duties.
- Evaluate staff qualifications and recommend training or certifications that should be required components of the job to increase skills and abilities.

The completion of this task will allow the project team, in conjunction with previous tasks, to make recommendations regarding the optimum staffing levels and work practices in the City, opportunities to improve work practices, and opportunities to improve the efficient utilization of this staff.

Task Result: *At the completion of this task, the project team will provide a draft organizational structure, staffing allocation and matrix, and training / certification plan for the Building Inspections and Code Enforcement functions.*

Task 5 Document Recommendations in a Final Report and Provide a Detailed Implementation Plan.

Once the operational evaluations required to address all identified issues have been resolved, we will document our findings and recommendations in a final project report. This report will include:

- An evaluation of the City's development review and permitting processes, including its work practices, management systems, and the use of technology – including GIS and automated permit information systems.
- Improvement opportunities in development process in terms of streamlining, enhancing customer services, etc.
- Identification and evaluation of key service levels including the gaps between target and actual service levels. The analysis will include definition of the relationship between staff utilization and these service levels and explanation of enhancement opportunities.
- Detailed staffing recommendations for permit, and plan check in the City.
- An implementation plan covering all recommended process improvements consisting of:
 - Specific implementation work steps.
 - Suggested responsibility for implementation.
 - Timing / phasing for accomplishing each work step.
 - Cost and/or savings impact of each recommended improvement.

We would plan to review the draft report with project steering committee, if one is established. Based on the results of that review, clarifications and additional analysis will be provided as appropriate and a final report developed. We will present the final report to the City at a public meeting, or another forum, as requested.

Task Result: *Final report containing detailed process improvement plan for the development review and permitting functions.*

2. PROPOSED WORK PLAN FOR FEE COMPONENT OF THE ENGAGEMENT.

The following descriptions of each task contain a narrative, associated deliverables, and activities for our proposed approach to providing services related to the fee analysis and development for this engagement.

Task 1 Determine and Review Initial Documentation

The project team will provide the City with a written “Data Collection List” for the User Fee Study. This data request typically includes the following items:

- Current Fiscal Year adopted Budget for all Departments and Divisions involved in the study.
- Most recent complete Fiscal Year revenue reports for all Departments and Divisions involved in the study.
- List of all budgeted personnel by Department / Division.
- List of all current fees being charged by the City to be included in the analysis.

Before our first on-site visit, we will review this information to familiarize ourselves with strengths, weaknesses and opportunities for improvement related to the City’s existing fee structure. In addition, we will familiarize ourselves with the budgetary and staffing structures relevant to fees for service.

Project Deliverable – MCG	City Services Required
<ul style="list-style-type: none"> • List of basic data requirements for the Study 	<ul style="list-style-type: none"> • Basic data requirements for the Study as listed by the Matrix Consulting Group (staffing, salary, budget, etc.)
<p>Estimated City Staff Hours: 1 - 2 hours for Finance</p>	

Task 2 Project Initiation – Establish the City’s Goals and Objectives for the Study, and Identify Trends and Plans Which Impact Cost Recovery Analysis and Policy.

To effectively analyze and present the full cost of providing City services, it is important that the project team develops an understanding of key issues which impact and shape the City’s service delivery and cost recovery policies. To develop this perspective and customize the structure of the project, we plan to do the following:

- Conduct an initial meeting with the City’s management staff to solidify the exact parameters of the Study.
- Develop a detailed project plan, including timelines and deliverables.
- Conduct discussions regarding the City’s current fee structure and any potential changes. (e.g., Currently the City evaluates Building Permits based on valuation; should it consider transitioning to square footage?)

- Identify current cost recovery policies or established subsidies.

As a “user fee” study, the Matrix Consulting Group does not propose to evaluate any fines, taxes, utility rates, or impact fees. Services and activities included in the study are those that are defined specifically by an estimate of staff time devoted to providing each service.

Project Deliverable – MCG	City Services Required
<ul style="list-style-type: none"> • On-site meeting with City management involved in or impacted by the Study • Project Management Plan 	<ul style="list-style-type: none"> • Designated project management representative • Approval of work plan as provided by the Matrix Consulting Group
<p>Estimated City Staff Hours: 0.5 hours per executive staff member attending the meeting.</p>	

Task 3 Develop a Schedule of Current and Potential Fees for Service

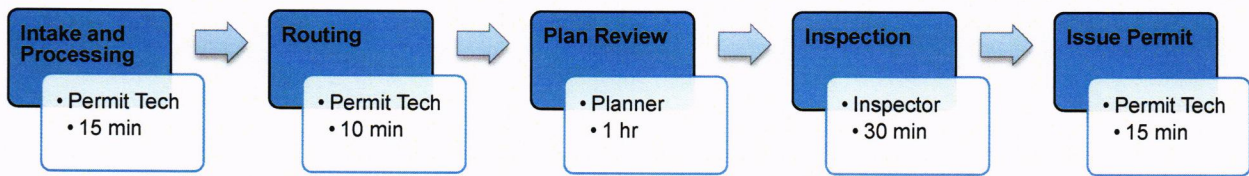
The scope of this effort will be the fees charged by the City for the departments identified in Tasks 1 and 2. Current, as well as potential, fees and charges will be identified and documented. This will involve discussion with each department to identify the areas of greatest potential cost recovery, and to structure and expand existing fee schedules for both optimum cost recovery and fairness and equitability to the applicant for services.

At this time, the project team will request volume statistics to be used for staff utilization and cost/revenue comparisons later in the analysis. The City will be responsible for providing this data.

Project Deliverable – MCG	City Services Required
<ul style="list-style-type: none"> • On-site meeting to discuss and revise fee structures for each department • Thorough review of existing documentation and analyses that support the Department’s current fee structure and operations 	<ul style="list-style-type: none"> • Participation in discussion of existing and proposed fee items for the analysis • Review, comment, and approval of fee structure report prepared by the Matrix Consulting Group.
<p>Estimated City Staff Hours: 3 hours per function.</p>	

Task 4 Conduct Time and Activity Data Gathering Workshop 1

The project team will conduct a total of two workshops to gather time and activity estimates for each service included in the study, interviewing key personnel from each department and analyzing the various activities being performed within it that are both revenue and non-revenue generating. The following flowchart shows an example of the steps involved in processing a permit and the staff and time associated with each step.



As the flowchart above demonstrates, basic process steps in application / permit processing will be documented and provided in the Departmental detail for each department represented in the study.

Project Deliverable – MCG	City Services Required
<ul style="list-style-type: none"> Facilitation of two-days of meetings related to available net hour calculations, documentation of service levels and global processes associated with provision of services 	<ul style="list-style-type: none"> Attendance at workshop meetings Provision of follow up data or discussion as needed
Estimated City Staff Hours: 2 - 4 hours per department	

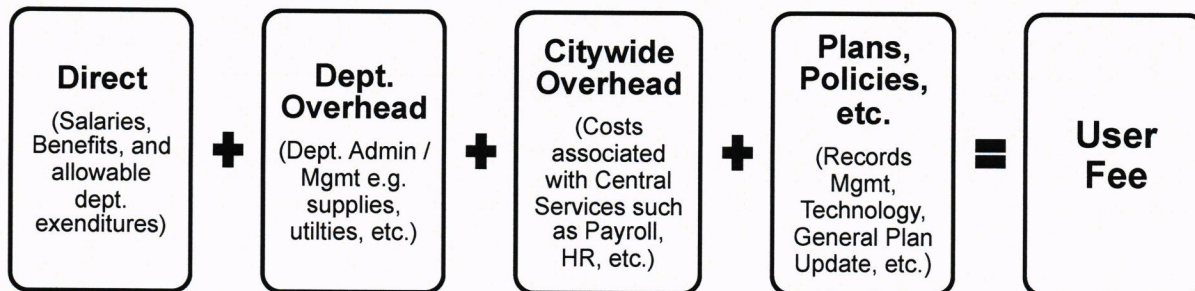
Task 5 Conduct Time and Activity Data Gathering Workshop 2

In each department’s review, 100% of staff available hours are identified to both fee and non-fee related services to ensure a complete and defensible analysis.

Project Deliverable – MCG	City Services Required
<ul style="list-style-type: none"> 1 - 2 iterations of review to achieve a defensible and reasonable allocation of staff time to fee and non-fee activities 	<ul style="list-style-type: none"> Attendance at workshop meetings Provision of follow up data or discussion as needed
Estimated City Staff Hours: 1 - 3 hours per function	

Task 6 Perform a Total Cost Analysis

The Matrix Consulting Group’s costing model is built based on the City’s operations, budget detail and intended uses for the results. This method is a customized approach, specific to each jurisdiction, for cost analysis of user fee services. This costing method uses time and annual activity level data to establish the cost of providing services on both a unit and annual level. Once the time spent for a fee activity is determined for each individual or position, the team uses its fee and rate software to apply applicable City costs to the calculation of the full cost of providing each service. The following chart describes the typical costs considered as applicable to fees.



Resulting costs are presented on a unit and annual level, and are compared to the existing fee schedule and revenue reports. The City will obtain information about cost recovery surpluses and deficits on both a detailed (per unit) and global (annualized) level, as well as an understanding of cost components for each service.

Project Deliverable – MCG	City Services Required
<ul style="list-style-type: none"> Documentation of current charges versus the actual cost of providing services from both a cost per unit and annual cost perspective 	<ul style="list-style-type: none"> Provision of follow up data or discussion as needed
<p>Estimated City Staff Hours: 1 - 3 hours per function</p>	

Task 7 Review / Revise the Fee Study Results with Department and City Management

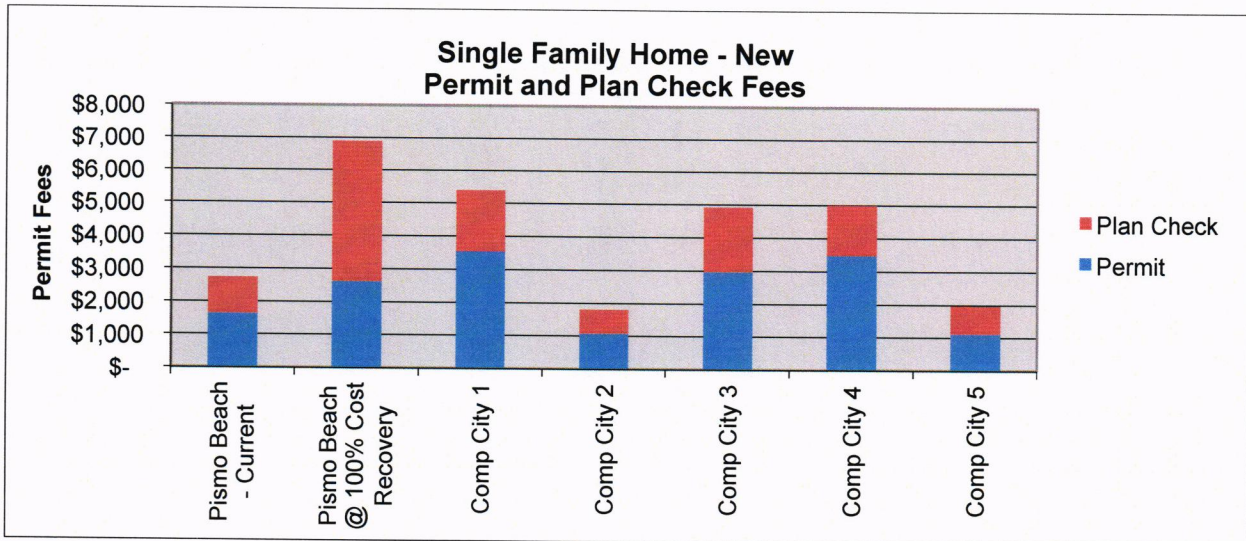
Because the analysis of fees for service is based on estimates and information provided by City staff, it is extremely important that all participants are comfortable with our methodology and with the data they have provided. Once the department agrees that the analysis reflects the reasonable costs of providing services, City management will have an opportunity to review the results. The project team will address:

- Economic and revenue impacts of proposed and recommended fee levels and methodologies, including fee affordability for small projects and applications.
- Implementation strategies that consider both policy issues and goals for optimum cost recovery. While it is generally desirable to eliminate any subsidies, discussions regarding the feasibility of raising fees based on political climate, legal restrictions, and social and economic consequences must occur.

Project Deliverable – MCG	City Services Required
<ul style="list-style-type: none"> Approval of analytical results at the Department and City management levels Formulation of cost recovery recommendations and associated revenue impacts 	<ul style="list-style-type: none"> Review of final analytical model documentation Attendance at meetings related to discussion of results and economic policy implications Follow up data or discussion as needed
<p>Estimated City Staff Hours: 1 - 3 hours per department</p>	

Task 8 Conduct a Fee Comparison Survey to Similar Jurisdictions

The project team will work with the City to identify up to 5 comparable jurisdictions targeted for the fee comparison survey. We will also develop the survey tools and select the most appropriate fee items (various building and code enforcement fees) for benchmarks (with City concurrence). Then, we will administer the survey, collect comparative data, conduct the comparison, and document the results. The following graph provides an example of how comparative survey results for Building Fees would be presented:



Market surveys do not provide adequate or objective information about the relationship of a jurisdiction’s costs to its fees, therefore, it is recommended that information contained in the market comparison of fees be used as a secondary decision-making tool, rather than as a tool for establishing price points for services.

Project Deliverable – MCG	City Services Required
<ul style="list-style-type: none"> Survey of fees in similar jurisdictions Written comparative summary of the results 	<ul style="list-style-type: none"> Review of proposed jurisdictions and list of comparable fees to be included in the survey
Estimated City Staff Hours: 1 hour per department studied	

Task 9 Prepare a Final Fee Study Report

Upon conclusion of the fee study, we will prepare a detailed report that summarizes the results of each of the previous work tasks described above. This report will include the following:

- A narrative describing the services included in the study, as well as the methodology, any revenue enhancement and operational recommendations

specific to your organization and based on our extensive experience with hundreds of jurisdictions, as well as key decision making points to be considered.

- Appendices that compare existing and potential cost recovery on a unit and annual basis by department.

The report will be reviewed, revised and finalized with Department and City management.

Project Deliverable - MCG	City Services Required
<ul style="list-style-type: none"> • Preparation and approval of the Final City-wide User Fee Study report • Delivery of Final Report 	<ul style="list-style-type: none"> • Review and approval of Final Report drafts.
<p>Estimated City Staff Hours: 1 hour per reviewer</p>	

Task 10 Present the Final Report to the City Council

The presentation of results to City officials and/or stakeholders is critical to the success of the overall engagement. Because the product from the study is often controversial, the objective of this final step is to present a succinct summary that provides decision makers with key information. The Matrix Consulting Group will attend and present the Study at one public meeting. Additional meetings can be arranged at cost.

Project Deliverable – MCG	City Services Required
<ul style="list-style-type: none"> • Presentation of Study results at two regularly scheduled Council study sessions or meetings. 	<ul style="list-style-type: none"> • Preparation discussion with the consultant and review of any presentation materials required for Board meetings • Preparation of City Staff Report
<p>Estimated City Staff Hours: 4 hours staff time</p>	

3. PROPOSED PROJECT SCHEDULE.

The following tables present the proposed project schedule to complete this engagement. While the schedule shows a separate schedule for the operational and fee evaluation components of the study, these are conducted concurrently. As shown, we are proposing a fourteen (14) week schedule to conduct this engagement.

Task	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Operational / Staffing Analysis														
1. Preliminary Data Collection / Profile														
2. Best Practices Assessment														
3. Employee and Stakeholder Input														
4. Evaluate Processes														
5. Evaluate Staffing / Organizational Structure														
6. Prepare Final Report														
Fee Analysis														
1. Initial Documentation														
2. Initiate Project – Goals & Objectives														
3. Fee Structure Development														
4. Data Workshop 1														
5. Data Workshop 2														
6. Total Cost Analysis														
7. Review and Revise Results														
8. Conduct Fee Comparison Survey														
9. Prepare Final Report and Fee Schedule														
10. Present Final Report and Fee Schedule														

This proposed schedule could be modified as needed to meet the needs of the City regarding timing of completion. We are typically able to begin work within two weeks from receipt of a notice to proceed.