



#3101 DBS PROCESS REVIEW & IMPROVEMENTS ADDENDUM #2

Addendum #2 dated May 8, 2019 is issued to:

A) ANSWER QUESTIONS RECEIVED AT THE PRE-PROPOSAL CONFERENCE

The following questions were received at the April 30, 2019 Pre-proposal conference:

1. Is long range planning part of the scope?

As a function, long range planning is incorporated into the Planning Division of Community Development.

2. Is there anything that happen recently that makes this scope of work necessary?

Development & Business Service functions have been engaged in an overview and customer service assessment since November 2017. Recent staff turn-over presents the opportunity to evaluate potential changes.

3. Who did the fee study?

FCS Group did the fee study in December of 2017.

4. It sounds like you have an idea of where you want to go, but not a plan to get there. Are you looking for a consultant to help you implement the improvements or to just identify what needs to happen?

Previous assessments have been useful in identifying strategies to move forward. Preparing strategies and actionable recommendations based on these assessments is the goal.

5. How many processes are we reviewing?

As per Section 3.02.1, the following processes will be evaluated as part of the scope of work: permit processing, long range planning, code enforcement, customer inquiries, field inspection and plan review. However, the final scope and fee will be prepared in consultation between the finalist and the City.

6. How many staff in each department? And are you looking to consolidate?

There are currently have 35 positions in the Development & Business Service functions, and 23-25 are currently filled. Consolidation may be a possibility.

7. What is your budget range?

We estimate a range of \$200,000 to \$250,000 for this body of work. Final scope and fee will be prepared in consultation between the finalist and the City.

8. Do you want resumes in the submittals?

While resumes were not specifically stated in 1.14 Proposal Content Requirements, we wish to see resumes under the Qualifications portion of the submittal.

9. Can you provide published standards that you reference item #2 of Section 3.06?

The objective is to assess and develop such standards in working with the consultant.

10. The Executive Summary is valued at 20 points, what is in the Executive Summary that would warrant that many points?

Please see revised Section 2.3 Evaluation Criteria (Item B of this addenda) for an adjustment in points.

11. Item #6 of Section 3.06 references process improvements related to EnerGov. How in depth do you want us to go with EnerGov? How long as the City been using EnerGov and did you look at MyBuildingPermit.com?

We have been live with EnerGov since 2013. In the past 2 years, we have been improving our utilization of the program in relation to our internal processes to provide more functionality. We may want the awarded consultant to review our use of it, where we are using it well and where we could improve.

The City had considered using MyBuildingPermit.com at one point, but decided to use CSS, a customer interfacing portal that was designed specifically for our permitting and licensing software by the developers. It provides more access and accessibility to our customers than MyBuildingPermit.com would have been able to provide

12. How should we price the work?

Preference is for work completed by milestones. Proposals should group the work into phases and provide an initial estimated cost for each task.

13. Can you provide a copy of the previous process assessment study?

Attached is a copy of the Demarche Consulting Group's Permit Process Assessment report, dated May 21, 2004.

B) MODIFY THE SOLICITATION DOCUMENTS AS FOLLOWS:

1. EXTEND due date to May 23, 2019, 2:00 p.m.
2. MODIFY Section 2.3 Evaluation Criteria as follows:

	Proposal Evaluation Criteria	Points
EXECUTIVE SUMMARY	Executive Summary: Name, address and phone numbers and email addresses for all point(s) of contact. The proposal shall indicate who will serve as the primary point of contact. How many years in business, licenses held, a description of how the firm is organized and where the firm is located.	10
PROJECT APPROACH & TIMELINE	Project Approach & Timeline: Describe proposed work plan for the project, identify people both who and how they will be involved in every element of the project. Provide a proposed timeline and discuss the firm's capacity to perform the work considering the firm's current and planned workload.	35
QUALIFICATIONS	Qualifications: Provide up to three (3) previous projects that demonstrates the firm's experience with one or more roles/responsibilities on similar projects, and/or elements of such projects. Include client's name, project's completion date and roles/responsibilities for each project. <i>Note: this information may be used for reference check.</i>	25
PRICE PROPOSAL	Price: Provide a proposed pricing structure, identifying key milestones of work or tasks by phases by specific payment increments.	20
TERMS & CONDITIONS	Terms & Conditions: Compliance with Contract Terms and Conditions	10
	Total possible Written	100
	Demonstration and Interview, if conducted	20
	Total Evaluation	120

All other terms and conditions remain unchanged.

Ginny Meads, PMP

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Attachments:

1. Vendor List/Pre-Proposal Attendance Sheet
2. Agenda for Pre-Proposal Meeting
3. Permit Process Assessment Report

**#3101 DBS Process Review and Improvement Services
Vendor List**

	Vendor	Contact Name	Email	Phone	Attended Pre-Proposal
1	DeMarche	Linda Paralez	paralez@demarcheconsulting.com	206-999-9786	Yes
2	Roberta Baker	Roberta Baker	roberta.baker@comcast.net	206-605-6710	No
3	Kolke Consulting Group	Crystal Kolke	crystal@kolke.com	425-255-3099	No
4	Collins Associates	Brad Collins	collinsassociates.collins@gmail.com		No
5	Community Attributes	Chris Mefford	chris@communityattributes.com	206-523-6683	No
6	1029 Consulting, Inc.	Jessica Hickey	jessica@1029consulting.net	206-465-2240	No
7	SAFEBuilt	Jack Arizcuren	jarizcuren@safebuilt.com	206-316-0865	Yes
8	Communication Resources	Noah Plyvainen	noahp@communication-resources.com	425-316-8300	Yes
9	Strategica	David Howe	dhowe1000@gmail.com	425-427-5269	Yes
10	Performance Management & Improvement, LLC	Scott D. Johnson	dr_sdj@msn.com	426-894-6825	Yes
11	MC ² Consulting	Hanna Burn	Hanna@mc2-consulting.com	360-316-9030	Yes
12	MC ² Consulting	Judy Wells	judy@mc2-consulting.com	206-713-4869	Yes
13	Demarche	Patricia Davis	davis@demarcheconsulting.com	206-235-1108	Yes
14	The Athena Group	Katie Delgato	katied@athenaplace.com	360-259-0850	Yes
15	Management Partners	Steve Toler	stoler@managementpartners.com	650-918-7017	No



#3101 DBS PROCESS REVIEW AND IMPROVEMENTS
Pre-Proposal Conference
Agenda
April 30, 2019

- I. Team Introductions
- II. Sections 1 & 2 – Proposal Preparation & Evaluation and Contract Award
 - a. RFP Due Date
 - b. Addenda (Section 1.5)
 - c. Questions and Interpretations of RFP (Section 1.6)
 - d. Schedule (Section 1.7)
 - e. Proposal Content Requirements (Section 1.14)
 - f. Compliance with RFP Terms & Conditions (Sections 1.15 & 1.16)
 - g. Evaluation Criteria and Proposal Scoring (Section 2.3)
 - h. Proposal label
- III. Section 3 - Scope of work
- IV. SAMPLE Contract
- V. Terms & Conditions, Section 1 – Definitions
- VI. Terms & Conditions, Section 2 – General Provisions
- VII. Terms & Conditions, Section 3 – Legal Relations; Indemnity and Insurance
 - a. Insurance Requirements (Section 3.4)
- VIII. Terms & Conditions, Section 4 – Conflicts of Interest and Non-Competitive Practices
- IX. Terms & Conditions, Section 5 – Records and Audits
- X. Terms & Conditions, Section 6 – Intellectual Property
- XI. Terms & Conditions, Section 7 – Claims and Appeals; Dispute Resolution
- XII. Terms & Conditions, Section 8 – Termination
- XIII. Terms & Conditions, Section 9 – Miscellaneous
- XIV. Questions



Permit Processes Assessment Project

Final Report

May 21, 2004

City of Lynnwood



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Section 1- Executive Summary

Background

In January 2004, the City of Lynnwood engaged Demarche Consulting Group, Inc., a professional consulting firm, to conduct an assessment of the City's permitting processes and conduct an organizational analysis of the Community Development Department. The City requested the evaluation include:

- Analyzing current permitting processes,
- Comparing the permit processes with selected jurisdictions,
- Assessing stakeholders' perceptions of the permitting processes, and
- Performing an organizational analysis of the Community Development Department.

The notice to proceed was issued on January 24, 2004, with the contract work to be completed by May 31, 2004.

The City formed a Project Team, made up of representatives from across the respective City Departments to support and guide the engagement effort.

Demarche Consulting Group, Inc. organized the engagement into four major elements of work:

- Map and analyze identified permitting processes including collection of available process performance assessment data.
- Conduct focus groups and interviews with process stakeholders to inquire about satisfaction with current practices and results.
- Conduct specific comparative jurisdictional research to identify practices in areas of interest.
- Conduct an organizational analysis of the Community Development Department, including fielding and analyzing an employee survey.

Project Team

Steve Nolen, Assistant City Administrator
Mike Bailey, Administrative Services Director
Nancy Locke, Purchasing Manager
Jim Cutts, CDD Director
Ron Siddell, CDD Mgmt. Analyst
David Kleitsch, Economic Development Director
Gary Olson, Fire Chief
John Conderman, Fire Marshal
Bill Franz, Interim Public Works Director

This report provides the results of the engagement and is organized into the following sections:

Section I Executive Summary, including recommendations

Section II Findings and Conclusions

Section III Methodology

Section IV Supporting Data

- o Section A. Business License Process data
- o Section B. Public Works Process data
- o Section C. Community Development Process data
- o Section D. Jurisdiction Research data
- o Section E. Stakeholder Focus Group and Interview data
- o Section F. Community Development Organizational data
- o Section G. Process maps (under separate cover)

Assessment Methodology

Because so many organizations can get caught in the activity trap of “working at” problems, rather than actually making the real and sustainable system improvements they desire, Demarche Consulting Group, Inc. uses a systems approach in our analysis of processes and organizations. To do this, we review the business/process model in place; identify the practices and performance and evaluate those practices against what good looks like, based on best practices for industry and process. By using a business system model, we are able to help our clients understand the “upstream” nature of systems problems – that the cause of an eventual breakdown is often removed by time and distance from the event itself, and is typically upstream in the workflow of events.

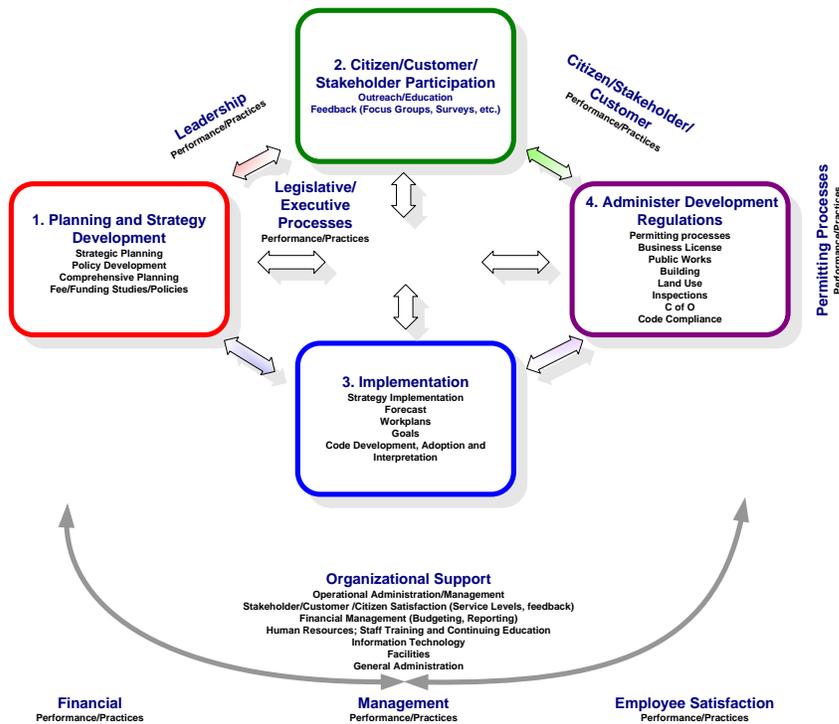
In our review of the City's permitting processes, as well as the organizational analyses of the Community Development Department we developed a picture of the business system within which both operate, which is illustrated in Figure 1. This very simple illustration of the permitting business processes has four major components, supported by managerial and administrative functions.

Planning and Strategy Development - 1

This business process includes the processes that develop the City's Strategic Plan, Comprehensive Plan, City policies, financial or funding goals and strategies (e.g.,

Figure 1. City of Lynnwood - Permitting Assessment Project - Business System Model

Wednesday, May 12, 2004



economic development), growth or change forecasts, as well as significant operating performance goals.

The leadership practices of establishing expectations for ensuring efficiency and effectiveness and performing communication and coordination functions to ensure and cooperation with all partners of and within the enterprise occur here. Leadership practices also include designing and monitoring the mechanisms that implement vision and mission, so that results are achieved and support is built both internally and externally.

The Executive/Legislative processes are an important part of the mechanisms by which strategy and policies are developed in a municipality. Executive/Legislative practices include ensuring the Mayor's Office, City Council, Hearing Examiner and Planning

Commission's roles and responsibilities in the permitting processes are clearly understood by all entities. The practices should provide for efficient and effective decision-making and include appropriate documentation. Executive/Legislative performance includes efficient and effective decision-making that is well communicated, well deployed, well supported, and effectively carried out.

Citizen/Customer/Stakeholder Satisfaction -2

The second key business process entails ensuring the needs and expectations of the various constituents the City serves are clearly defined and understood and that the City's systems and processes are designed with them in mind. Citizen, stakeholder, and customer satisfaction practices include effective mechanisms for getting feedback, understanding and incorporating feedback for improvement and providing feedback to customers and stakeholders. Citizen, stakeholder, and customer satisfaction performance include using data (usually qualitative) from citizen customers and stakeholders that is; current, consistent, reflects important features and is appropriately collected (e.g. out take cards, surveys, focus groups).

Implementation -3

The third business process is about the deployment of strategy and includes the activities, processes, and systems required to translate the City strategies into actions. This area involves forecasting, establishing performance goals and work plans. This is also the area where the City's code development, adoption, and interpretation are used to aid in the achievement of the City's strategy. This is the tactical level work of planning and organizational management where resource allocation decisions are made and customer service expectations are translated into service level performance standards. This is the level where financial targets from fee studies become revenue goals and impact service level decisions, staffing levels, and process designs.

Administering Development Regulations - 4

The business processes involved with administering the development regulations reflect the daily work of the organization and are the processes most closely associated with achieving the results for the applicants and the City. This includes all of the development process activities from information sharing, intake, review, approval/issuance, through to inspections and certification of occupancy. Additionally, this area includes code enforcement responsibilities.

At this level of detail in the business system, processes that are more formally designed, documented, managed, and measured are typically reflecting a strong connection to the flow of standards and expectations from strategy and work plan development (business process 1 and 3) that is informed by an involved stakeholder and customer group (business process 2) that are aware and care how the process performs. With less formal guidance and accountability (published and monitored expectations with stakeholder reporting), the processes at this level tend to be more isolated from overall stakeholder goals, which can result in less regular and structured improvements.

Some of the elements of strong permitting practices include having processes designed:

- To have subject matter expertise available early in the process so permits can be issued or reviewed at first contact.
- To minimize "calendar" time, meaning the time staff spends that does not add value to an application, or "non-billable hours." This would be routing time, warehousing time, waiting time, etc.
- To minimize or eliminate redundancy and minimize or eliminate bottlenecks and constraints that add to calendar time or increase delays.
- To use technology and other automation most effectively to achieve the purpose of the process.
- To both understand the unique customer and stakeholder needs, and design means to serve those needs.
- To effectively use space and adjacencies in facilities to complement workflow.

Permitting process performance includes the establishment of formal process definitions/descriptions. Processes have data accurately captured in a disciplined, formal and accurate way. Processes have performance measures including: volume by type (How much, how many - by type), cycle time or the time between specific milestones (clock time or billable, value-added time), and in calendar time (days that pass), and quality measures (e.g. correction cycles, service levels, consistency/reliability).

Organizational Support

This business process includes all the operational administration and managerial support for the enterprise, and as such comprises many processes. It may include budgeting, human resource management, facilities, and technology support. Support also includes the performance management practices and system (feedback) at the tactical level, encompassing financial management, process management, managerial support and employee growth and satisfaction.

At the organizational support level, building good management practices include the application of the tactical version of having a clear and formal mission and strategy that is well communicated and understood by all employees (Process 3). This means the translation of City strategy to department and process terms such as workload forecasting, tracking and reporting of workload, resource allocation planning, performance outcomes and financial elements.

The financial management practices include having financial policies that have a sound basis, are current and are clearly communicated and understood. Financial management performance includes forecasting, collection, tracking and reporting of financial performance by the process.

Additionally, organizational practices include the responsibility for the professional development of employees. Employee satisfaction practices include ensuring employees have meaningful work and have a positive and productive work environment and relationships with co-workers and supervisors. Employee satisfaction performance includes high morale, the ability to provide excellent customer service, visible positive and productive relationships across the organization.

Management performance includes, at minimum, the monitoring, measuring, reporting of:

- Financial elements
- Process results
- Citizen/Stakeholder/Customer feedback
- Employee Development

Conclusions and Recommendations

The review and analysis described here resulted in well over fifty separate findings and conclusions (see Section III). While it is common to develop a specific response and recommendation to address each conclusion – creating a menu of actions to be undertaken -- we believe that this approach can be short-sighted and result in driving "activities" not at "system-wide improvement".

That said, our systems approach is to analyze the issues, to identify

**"... success
often comes
from doing
common
things
uncommonly
well."**

Gary Hamel

the underlying "causes" of the issues versus fixing "symptoms." The objective is to help the City develop strategies and tactics for sustaining effective and long-lasting solutions.

Toward this end, we've developed two sets of recommendations. The first is a set of "strategic" recommendations, based on the business system model, to characterize how the organization might think about building on its strengths and leveraging improvement investments in the influential/"driver" parts of the system. The second set is the "tactical" recommendations to address the individual findings/conclusions.

Planning and Strategy Development

Strengths to Build On	Conclusions
<p>The City has begun a comprehensive strategic planning process and is well positioned to link organizational (and process) performance measures to the strategic planning effort.</p> <p>The City's Strategic Plan shows evidence that departments attempt to integrate into their missions, purpose, and results, the mission and vision of the City.</p>	<p>It is unclear to some stakeholders the priorities of the business development, therefore to employees and to leadership.</p> <p>Forecasts and work plans are not effectively created.</p> <p>The roles of Leadership, who create strategies and plans are not well defined, communicated, understood or clear to each other and to some stakeholders. This affects effective decision-making and the ability to create and successfully deploy implementation plans.</p>

Citizen/Customer/Stakeholder Satisfaction

Strengths to Build On	Conclusions
<p>City leadership aided greatly in securing a substantive amount of external input for this engagement. Shows a willingness to get input and engage with this group of stakeholders.</p> <p>The City's development community expressed strong feelings toward ensuring the development practices served the city well. They were very forthcoming in sharing the positives they saw and suggestions for</p>	<p>The City apparently lacks formal (regular, documented, reported) mechanisms for considering citizen, stakeholder and customer input in the performance of various permitting processes.</p>

improvement in processes.

The participation in focus groups was one of the best we have ever received.

The City has limited two-way (structured) communications with a citizen, stakeholder, and customers.

Implementation

Strengths to Build On

Conclusions

Staff's ability to operate the processes continues to work fairly well-using ad hoc (informal) means of workload forecasting, resource management, and growth and learning strategies.

Implementation of Strategies - design of formal work plans to implement strategic plans (at the local/departmental level) and measure progress is missing, resulting in a lack of shared ownership of goals and results.

Formal Department annual work plans that address process performance, improvement, training, learning, code updates, plan implementation, customer satisfaction, financial management, etc. for each---- are missing, resulting in no one owning process results and responsibilities for improvement.

Design of operational mechanisms to improve performance problems between departments (e.g., Public Works and CDD) has taken the form of formal "major projects" meetings, initiated by the mayor and facilitated by the Assistant City Administrator.

Shared goals around customer expectations and city standards are not deployed from work plans.

The City apparently lacks formal (regular, documented, reported) mechanisms for considering citizen, stakeholder and customer input in the **performance** of various permitting processes.

Administering Development Regulations

Strengths to Build On	Conclusions
External stakeholders complimented permitting staff on their competencies, responsiveness, and accessibility.	Formal work plans that address process performance, improvement, training, learning, code updates, plan implementation, customer satisfaction, financial management, etc. for each---- are missing, resulting in less clarity of process ownership for results and responsibilities for improvement. More formality is needed, for more consistency in the interpretation and application of codes and regulations.
The small informal nature of many of the permitting organizations and processes can provide less bureaucratic and more nimble and responsive abilities.	Many of the permitting processes are not intentionally designed and are in need of redesign so that they function to a clear purpose, can be resourced adequately, and be appropriately measured The City apparently lacks formal (regular, documented, reported) mechanisms for considering citizen, stakeholder and customer input in the performance of various permitting processes.

Organizational Support

Strengths to Build On	Conclusions
The building and fire departments are proud of the working partnership they feel like they have created.	
Recent skill sets added to IT organization has added capacity for more formal technology planning and implementation.	Priorities for implementation and outcomes of enhancements are not yet clear.
The ability to use the personnel budget category for operational expenditures provides some flexibility in financial management.	Limited operational funds compromise investments in staff development, customer outreach, process improvements, etc.
	Tactical planning, facility, technology resource allocation, learning, service levels, financial forecasts, etc. is informal and seems to be ineffective at supporting performance improvement, customer satisfaction, and innovation.

Strategic Recommendations

We have developed over-arching “strategic” recommendations designed to improve critically important elements of the system. We have organized our recommendations into three areas: A) Leadership, B) Business System and Process enhancements, and C) Implementation, including Ownership/Sponsorship.

A. Establish standards for performance, accountability, and expectations of City Leadership. City Leadership should:

1. Ensure a clearly defined Business Development vision and strategy to guide future efforts is developed.
2. Establish proactive efforts to improve the relationship and communications between the City’s leadership.
3. Define the roles and responsibilities of City leadership, define the communication expectations and mechanisms and publish internally and externally.

B. Develop and implement a Business System Model to achieve the permitting processes results in the City desires.

1. Complete the development of the City's Business System Model, including components and activities to support the City's established vision and strategy.
2. Update the City's strategic plan and tactical work plans, including performance measures. Ensure the linkages of these plans to the design and performance of permitting processes.
3. Define the priority of processes to be redesigned.
4. Redesign the prioritized permitting processes. Redesign the processes to have expertise early in the processes, minimize calendar time, minimize/eliminate redundancy and minimize/eliminate bottlenecks/constraints, use technology/automation effectively, meet customer and stakeholder needs, and to effectively use space, adjacencies, and facilities to complement workflow.
5. Ensure that the work done on the update of the strategy, work plans, and process improvements have a strong component of stakeholder interface and feedback.
6. Ensure that formal mechanisms are designed, funded and staffed to routinely gather stakeholder and customer information as it informs the strategic and tactical plans of the organization.
7. Clarify key risk management policy issues; e.g., regarding plan review and inspections redundancy, decision making at Over-the-Counter permitting, etc.
8. Ensure that formal mechanisms are designed, funded and staffed to routinely gather stakeholder and customer information as it informs the performance of the processes.
9. Publish and fund a Technology enhancement plan that supports the process improvements.
10. Establish an education and training strategy to support the development of staff and management to keep pace with new expectations.

C. Develop an implementation plan for both the strategic and tactical recommendations

1. Identify and define the ownership and sponsorship of the implementation plan.
2. Develop an implementation plan, that includes defining the participation, communication and resource requirements for implementation.

Tactical Recommendations

We have developed specific tactical recommendations designed to directly address the conclusions resulting in our assessment of the permitting processes. We have

organized these recommendations into four categories; 1) Services; 2) Communications, Process Improvements, and 4) Management.

Services

1. Develop a plan for and implement a One-stop permit center.
2. Develop a plan for and implement Over the Counter permitting and Blanket permitting.
3. Develop a plan for and implement on-line application downloading capability and online application processing for Business Licenses.
4. Develop a plan for and implement the ability to accept credit card payment for permitting fees.

Communications

1. Develop a plan for and implement a system for maintaining all permitting customer information materials.
2. Develop a plan for and implement a system for providing consistent permit information across the various permitting services via the City's web.
3. Develop a strategy and plan for establishing two-way, structured communications with stakeholders and customers.

Processes

1. Redesign of the permitting processes should include:
 - o Design principles for meeting stakeholder/customer expectations, including; consistency, clarity, objectivity and making and keeping commitments.
 - o Establishing, publishing and tracking cycle times and calendar commitments in the permitting processes.
 - o Defining appropriate performance metrics for all permitting processes.
 - o Developing a mechanism for tracking and reporting of measures internally and externally.
 - o Customer input in the redesign and establishing cycle time performance.
 - o Incorporating feedback loops in process redesign.
 - o Streamlining and expanding the option of overtime use for review within PW so that they provide appropriate subordinate service to the permitting process overall.
 - o Defining appropriate written documentation, commitment points in the permitting processes, communicate internally and externally.
 - o Reducing the cycle time for resident business licenses.

- o Including visibility and resolution of "pending-review" applications in resident business licenses.
 - o Placing regulatory responsibilities on regulating departments, not on the Finance Department.
 - o Including an expedited environmental review on appropriate projects.
 - o Define the IT requirements to support the permitting processes. Develop a comprehensive, resourced work plan, implement improvements.
2. Review the cause of re-inspection requests and include system fixes in the redesign of processes.
 3. Review and define the fee collection points in the permitting processes.
 4. Define and document the financial expectations of the permitting processes and track and publish performance to the financial goals.
 5. Reduce the number of signatures required on the Certificate of Occupancy.

Management

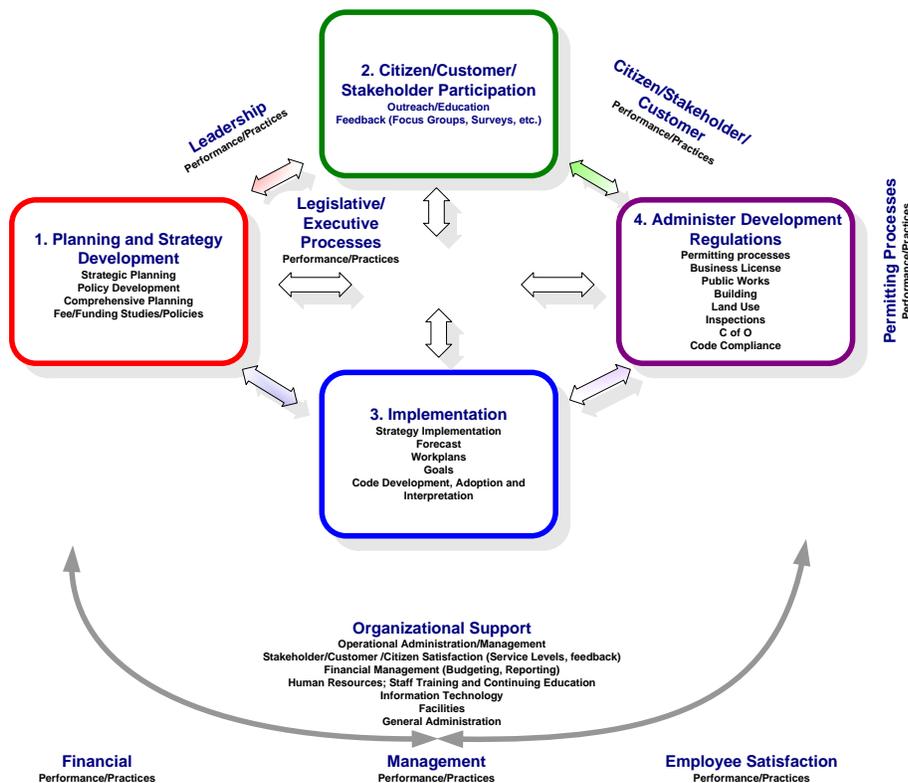
1. Establish and communicate the value of timely and meaningful formal performance appraisals. Track and publish completion of performance evaluations. Ensure meaningful performance evaluations are conducted for all CDD employees, including the Department Directors, on a regularly scheduled basis.
2. Develop a structured, formal work planning and implementation process.
3. Recast CDD's budget to ensure a higher percentage of operating support for the personnel budget.
4. Develop permitting employee expectations that include: coordination and speaking with one (City) voice, emphasis on the importance of consistency and predictability, communication of the importance of customer and stakeholder "perceptions".
5. Review past suggestions, (e.g. Permit Improvement Group) update appropriate recommendations, develop a work plan for implementation, including communications and closure on remaining items
6. Develop a work plan for addressing process changes - implement and communicate.
7. Develop, implement and document a comprehensive, prioritized and resourced CDD training (staff development) plan.
8. Conduct an analysis of costs for flat fee permits. Review for appropriate cost recovery.
9. Develop a comprehensive approach and plan for updating City codes, including establishing priorities and actions.

10. Adopt a more formal framework for policies, procedures, and processes.
11. Consider charging a fee for pre-development meetings that are applied to a timely permit application.
12. Actively integrate Public Works roles into Building and Land Use permitting systems and processes.

Section II - Findings and Conclusions

“Reflective thinking turns experience into insight.”

Findings and conclusions are organized by the four major elements of the Business Model, and the Organizational Support element.



Planning and Strategy Development

The creation of the products of a comprehensive plan and associated updates, a municipal strategic plan, various policies that control the function of the enterprise, and the reflective financial, customer, technology and risk management decisions that support those plans are the elements within the planning and strategy development process. Perhaps just as importantly, however, are the leadership, legislative, and executive mechanisms and processes that connect the products of planning and



strategy with the stakeholders (process 2 in the model) and with detailed work planning (process 3) and daily work (process 4). This section of findings and conclusions collects a listing of issues and conclusions in the context of both the planning and strategy function and the enabling leadership functions that ensure this process works well.

Good leadership practices include creating and communicating a vision and mission that serves to effectively focus and coordinate the activities and priorities of the enterprise, and that is also effective at facilitating cooperation among the stakeholders of the City. Leadership practices also include implementation of vision and mission, by developing work plans, building support both internally and externally, and achieving desired results through others. It can be said that leaders' role is to decide and communicate "what is to be accomplished" and the "how it is to be done" is developed and implemented by management, with the support of leadership.

Good permitting related legislative practices to include ensuring the Mayor's Office, City Council, Hearing Examiner and Planning Commission's roles and responsibilities in the permitting processes are clearly understood by all entities. Formal procedures should provide for efficient and effective decision-making and include appropriate documentation. Legislative performance management includes monitoring for efficient and effective decision-making based on clear policies.

Focus group attendees, as well as internal interviewees and staff all commented on the City Council, Hearing Examiner, Planning Commission roles and responsibilities in

various processes can be cumbersome and time-consuming. Individuals from focus groups, interviews, and employee input expressed the sense that there is a need for improved clarity and agreement within the City on the most efficient and effective ways to leverage these three entities.

Findings	Conclusions
<p>City Leadership/Culture:</p> <p>There was a prevalent perception among the focus group attendees that City Leadership (identified by attendees specifically as the Mayor, the Council, and Department Heads) were not unified in efficiently and effectively managing business development within the City. The lack of a published business development vision, public disrespect, and personalized disagreements at Council meetings as well as indirect conversations with individuals involved in the development processes were cited numerous times.</p>	<p>From the perspective of key stakeholder voices, decision-makers, and some employees the collective City leadership does not currently have a culture characterized by shared goals that define and supports appropriate business development and effective permitting services.</p>
<p>Focus group attendees cited a belief that the Executive/Legislative disagreements, lack of role clarity, unclear authority, and lack of trust between City Leadership all contribute to staff and process performance problems within the permitting processes.</p>	<p>City leadership practices and performance must be improved to facilitate improvements in the permitting process.</p>
<p>Role Clarity:</p> <p>Many of the individuals interviewed shared perceptions that there is a significant difference between what they expected to happen with regard to planning and decision-making and the expectations and actions of others. This sentiment was consistent across all departments, including the Mayor's office, the City Council and the Operating Departments. Examples of the staff usurping Executive and Legislative roles were cited, as well as examples of Council and Executive interventions in operating department roles and responsibilities</p>	<p>It is difficult to find a demonstration of clear, understood, and shared the definition of roles, responsibilities, and associated expectations regarding permitting services and decision-making.</p>

Goal Clarity:

A very close corollary to the role clarity differences cited above are problems with goal clarity. The City has responsibilities both of a public service agency and as a regulatory agency responsible for health, safety and welfare of the general public. Interviewees cited numerous examples of the polarization of these responsibilities resulting in an "either-or" context for decisions.

Many of the interviewees share observations that consistently highlighted a problem with the alignment of the three major entities of Executive, Legislative and the Operating Departments.

There is evidence that the City does not always develop a successful means of balancing competing and conflicting interests in administering development regulations. There is apparent disagreement on what this balance should be, and frequent polarization of views is perceived. When this problem occurs in the field, not supported by clear policy, outcomes are very problematic for the customer and potentially litigious for the City.

Citizen, Stakeholder, and Customer Satisfaction

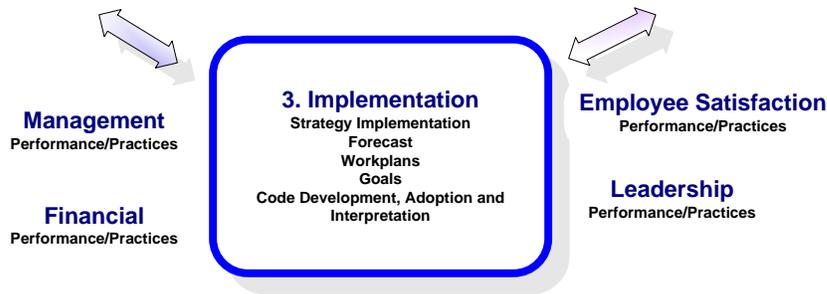
Citizen, stakeholder, and customer satisfaction practices include effective mechanisms for gathering feedback, understanding the feedback, and incorporating it into improvement efforts. Citizen, stakeholder and customer satisfaction performance management requires using data (usually qualitative) from customers and stakeholders



that is current, consistent, reflects important features, and is appropriately collected (e.g. out take cards, surveys, focus groups). It is important for management to know what customer's needs and expectations are, so that process improvements can be targeted to address the customer and stakeholder needs.

The following chart lists findings related to citizen, customer and stakeholder needs and expectations as expressed in the focus groups.

Findings	Conclusions
A One-Stop Permitting Center has been in discussions for several years but has not been implemented.	The City does not have a permitting process that allows customers to come to one stop, minimizes or eliminates routing of potentially reviewable and approvable simple plans.
The City has limited Over the Counter, expedited and blanket permitting processes.	The City has not maximized the Over-the-Counter, expedited and blanket permitting opportunities.
Many of the permitting processes do not have current process documentation or informational handouts for customers.	The information available to customers regarding the City's permitting processes is limited and may not fully serve customer needs.
Many of the permitting processes do not have process information available to customers/stakeholders via the City's website.	There is inconsistency across the City regarding the level of information available to the public via the City's web pages. Investment goals and implementation schedule for this enhancement are unclear.
The City systems do not provide the ability to either get a Business License application form via the internet or apply via the internet.	The convenience of applying online for a City Business License is not currently available to Customers. Investment goals and implementation schedule for this enhancement are unclear.
Resident Business License applicants pay for the licenses upfront and do not receive a license for four to six weeks.	The City is collecting fee payment in advance of Business License issuance which may serve to increase service level demand for reduced cycle time.
The process for using overtime for permitting review is cumbersome.	The use of overtime as an expediting tool/resource is limited.
The Design Review Process and Pre-Development meetings are viewed as valuable to internal personnel.	The City does not measure the impact of Design Review Process and Pre-development meetings to ensure value is realized for the City and for the applicant.



Implementation

In order to implement strategy well, it is typically “translated” or expanded into more detailed work plans that specific processes and departments in the organization can take responsibility for, own, monitor and manage. We’ve captured some of the key enabling elements of this process as management, financial, leadership and employee satisfaction.

Sound management practices are evident when an organization’s mission and strategy is well communicated and understood by all employees. Good management practices include the planning, forecasting, tracking and reporting of workload, performance/outcomes and financial elements. Additionally, resource management practices include the responsibility for the professional development of employees, technology tools and facilities.

In summary, organizational performance management includes the monitoring, measuring, reporting of:

- Financial elements
- Process results
- Citizen/Stakeholder/Customer feedback
- Resource development (Employees, technology and facilities)

Good financial management practices include having financial policies that have a sound basis, are current, and are clearly communicated and understood. Managing financial performance well includes the forecasting, collection, tracking, and reporting of

financial performance. Some of the findings and conclusions in this area are captured in the table below.

Employee satisfaction practices include ensuring that employees have meaningful work, positive and productive work environments, and good relationships with co-workers and supervisors. High morale, the ability to provide excellent customer service, and visible positive and productive relationships across the organization, are all measurable indicators of a high level of employee satisfaction. Using a survey of CDD staff and feedback gained from the process mapping effort, findings and conclusions were drawn about employee perspectives on a number of issues.

Findings	Conclusions
Tactical work plans that translate strategy to action, such that employees have clear performance targets tied to strategy, stakeholder needs, and financial goals are not common or well developed.	Work plans that do exist do not seem to have great performance impact on the daily work, implementation of initiatives or service level improvements.
Focus group attendees commented that the City lacks sufficient internal coordination between departments.	Focus group attendees expect better internal City coordination than is currently provided.
Focus group attendees commented that the City has insufficient consistency and predictability of plan review and inspection requirements.	Focus group attendees expect consistency and predictability in interpretation and application of codes and regulations.
Focus group attendees commented that the City makes insufficient commitments regarding timelines for review and decisions.	Focus group attendees expect the City make more timeline commitments.
Focus group attendees commented that the City is not timely.	Focus group attendees expect the City to be timely with plan review, decisions, and other commitments.
The permit tracking system upgrade (Permits Plus) is being implemented 3 years after the software was purchased.	Managerial IT initiatives have lacked formal planning and execution.
A One-Stop Permit Center has been discussed for several years – but not implemented.	This improvement initiative has not been executed, and no formal implementation plan has been developed.

Findings	Conclusions
A staff effort to develop permit process improvement produced recommendations – but no implementation plan was developed or executed.	This management improvement initiative has not been executed, and no formal implementation plan has been developed.
Changes to the addressing process were not documented; nor was an implementation plan developed.	Process changes can be ad hoc and lack formal planning and execution.
CDD has reduced its budget for the last 4 years, and all reductions have been made in the category of operations spending.	Budget reductions have resulted in a ratio indicating that a 5% operating budget supports a 95% personnel budget.
CDD does not have regular, structured two-way communications with customers and stakeholders.	CDD has limited formal processes for communicating regularly with its stakeholders and customers.
Tracking and reporting of process performance measures is limited.	Process performance metrics are not used as a real-time management tool.
65% of CDD employees' annual evaluations are overdue.	Performance evaluations of staff are not conducted regularly.
The CDD Director has not had a performance evaluation since hired as Director.	Performance evaluations of leadership are not conducted regularly.
Less than 1% of time is reported as training.	CDD has limited documented, investment in staff training.
The City does not accept credit card payment for permitting fees.	The City has not prioritized and implemented a plan to accept credit card payment for permitting fees.
Some permitting processes collect fees upfront, and others only at end of the process.	The City has inconsistent approaches to the timing of permit fee collection.
Financial and revenue goals/measures were not evident for all permitting processes.	Financial/revenue performance is not a consistent priority for permitting processes.

Findings

Conclusions

City systems for tracking, monitoring and reporting financial measures are not used in all of the permitting processes.

The City has inconsistent approaches to the tracking, monitoring and reporting of financial measures in its permitting processes.

The Public Works Department and CDD have multiple systems and data entry for financial data.

Multiple data collection systems are in place, indicating possible inefficiencies, potential inaccuracies, and a need to expend resources on reconciliation efforts.

The flat fees charges for BLA permits and SEPA decisions are each \$325.

These flat fee charges may not be recouping the majority of costs incurred in these processes.

The most **positive** responses received on the CDD staff survey were:

CDD staff **value the most:**

Pre-development meetings are valuable to applicants and CDD, are well documented and result in better development projects.

Pre-Development meetings

CDD has good processes for providing applicants and stakeholders with current project information.

Existing processes for providing project information.

All CDD staff demonstrate strong customer service and communications skills.

Existing strong customer service

The right subject matter experts are easily accessible to those who use our services.

Existing customer access to CDD subject matter experts.

CDD inspectors and inspection processes deliver consistent reliable and predictable outcomes.

Inspectors and inspection process results

CDD has technical resources (Information Systems, computer technology, communications technologies, etc.) needed to perform its mission successfully.

Adequacy of current technology and tools

The most **negative** responses received on the CDD staff survey (indicating that the statements were not true in their experience) were:

Staff **desire improvements** in:

The Mayor's office role in permitting and its relationship with CDD is clearly understood by the Mayors Office and CDD.

Clarity of the Mayor's office role in permitting and its relationship with CDD.

The City provides a One-Stop Permit Center that improves customer experience, minimizes delays for the applicant, improves coordination and reduces City costs.

Implementation of a One-Stop Permit Center.

The City Council role in permitting and its relationship with CDD is clearly understood by the City Council and CDD.

Clarity of the City Council role in permitting and its relationship with CDD.

CDD invests in and fully implements a training plan to ensure the workforce has the skills necessary for excellent performance.

Staff training to ensure the workforce has the skills necessary for excellent performance.

CDD is a place where employees have opportunities for professional growth.

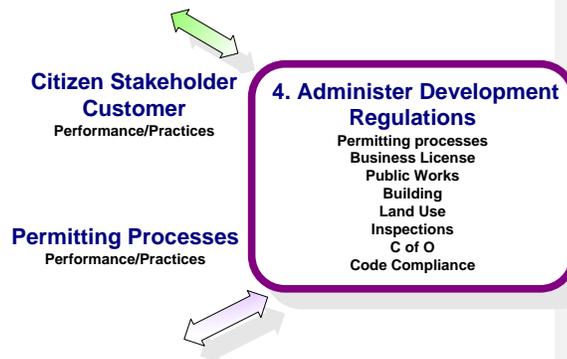
Opportunities for staff's professional growth.

CDD supervisors and managers have excellent workload management tools and practices.

Workload management tools and practices.

Permitting Processes

Managing the performance of permitting processes includes the establishment of formal process definitions/descriptions and the means to capture performance data accurately in a disciplined and formal manner. Appropriate performance measures include: volume of work (how much, how many - by



type), the elapsed time between specific process/project milestones, the actual work or clock time invested between milestones, and quality measures (adequacy of submittals accepted, appropriate corrections, service levels, consistency/reliability, etc.).

Findings	Conclusions
Focus group attendees shared their expectation that Pre-Development Review meetings should be documented and are not, and their experience that agreements made verbally during these meetings are not kept.	Focus group attendees expect more formal documentation of meetings and commitments that are fulfilled.
Focus Group attendees shared their expectation that the City commit to specific dates, to timelines that include turnaround times and project schedules.	Focus group attendees expect more commitments from the City regarding review and decision timelines.
Focus group attendees shared their feelings that the City's requirements applied to customers can be well in excess of those authorized by the City codes.	Focus group attendees expect clear and objective requirements based on adopted codes.
Focus group attendees were concerned about the frequency of field changes to the approved drawings that were required by inspectors.	Focus group attendees expect consistency between plan review and inspection and reliability of the reviewer's approval of the plans.
The City's codes were identified numerous times by internal City personnel as well as external individuals as being out of date, complex and cumbersome. The Zoning code was specifically cited as complex and out of date.	The City's codes, especially the Zoning/Land Use Code, may be out of date, complex and cumbersome.
Interviewees identified that many procedures, policies, and processes are not well documented.	Many of the City's procedures, policies and processes are informal.

Findings	Conclusions
<p>The Finance Department has implemented a new technology system – “Tax Tools”, which has reduced the duplicative entry of data, as well as allowing for the electronic routing of Business License Applications for review. Finance can now enter businesses information prior to circulating for review, as well as being able to print licenses daily. The previous method used "batch" printing via the IS Department. The Finance Department has reduced the application form from nine pages to two.</p>	<p>The Finance Department has made some recent improvements to the Business License Process.</p>
<p>The Finance Department's responsibility for "administering" Business Licenses are linked to other department's responsibilities for "regulatory compliance."</p>	<p>The Finance Department serves as the City's checkpoint for regulatory compliance for businesses.</p>
<p>Business Licenses are routed in a hub and spoke manner to six different departments.</p>	<p>The Business License routing process is cumbersome and slow.</p>
<p>The Business License process does not have established cycle time performance that is published and tracked.</p>	<p>The Business License process lacks published and tracked cycle time performance measures that are used in managing process performance.</p>
<p>Some Business Licenses are pending for months and years, in the reviews by Building and Fire – possibly awaiting corrections/compliance from the business owner.</p>	<p>There appears to be a disconnect in systems follow up that allow some Business Licenses to be pending for extended periods of time.</p>
<p>Public Works (PW) permit processes do not have established cycle time performance that is published and tracked.</p>	<p>PW permit processes lack published and tracked cycle time performance measures.</p>
<p>PW permit processes data is gathered manually.</p>	<p>PW permit processes do not use technology effectively.</p>
<p>PW first review cycle time standard for site development projects is 6 weeks, and the second/third review cycles standard is 4 weeks.</p>	<p>The PW cycle time performance standards for reviews are not designed with input on customer expectations and needs.</p>

Findings	Conclusions
Staff have commented that re-inspections are required 75% of the time The Environmental Review Committee review and decision-making process can be complex and lengthy.	The high frequency of re-inspections results in inefficient use of inspection resources. The use of an expedited process for projects with a less complex environmental component was not evident.

Jurisdiction Research Conclusions

When looking at the practices of others, it is important to understand that a given practice, activity or approach that brings success to one organization may not be easily "copied" so that it brings the same level of success to another. Therefore, good benchmarking protocol dictates that "best" or "better" practices be viewed and understood as working well in their native context. The goal, therefore, is to learn from that practice and "leapfrog" the successes it is bringing the organization where it is being applied. In other words, understand the practice, its purpose, drivers, critical success factors, etc. and then design for those successes – or better – in your own organization. In this way, benchmarking brings the best insights in that it helps an organization ask better questions about its current practices, performance, and potential for success than it may have ever asked before.

"Results are obtained by exploiting opportunities, not by solving problems."

--Peter F. Drucker

So, it would almost never be appropriate to copy a practice someone else is doing, simply because that would not yield the best fit, better performance, or greater insight. Instead, learning from the successes gained by practices of others enables duplication or enhancement of similar results through the design and implementation of similar practices that are best fits for your own organization.

Business Licensing

Our findings indicate that Lynnwood's business licensing process (turnaround time of review by other departments) is significantly slower than those of the other jurisdictions. Another opportunity to improve customer service at Lynnwood, by comparison, is to accept payments by credit card.

Construction Permitting and Inspection

The comparison jurisdictions offer useful examples of ways to implement customer service improvements in the form of One-Stop Permitting Centers, Over-the-Counter permits, and Certificates of Occupancy signed by a single City official. Using separate review and inspection staff offers an appropriate level of redundancy in code interpretation and application for projects. The comparison jurisdictions all have improvement efforts underway, as part of their routine process improvement strategy, or as a one-time project.

Current Planning

Tukwila's practice of charging a fee for pre-application appointments and then applying that fee towards a timely permit application is a common sense approach to ensuring that the requestor is serious enough to pay for the service and also recognizing that the meeting has potential value in reducing review time and a number of re-submittals.

Our findings showed a range in the roles and authority of the Hearing Examiner, Planning Commission and City Councils in making Land Use decisions and hearing appeals.

Public Works

It is common to see deliberate design efforts to reduce the impact to customers caused by the competing missions (silo effect) of a public works organization and a building and land use permitting organization. The City of Lynnwood can learn from efforts and successes at other jurisdictions aimed at resolving this conflict in priorities; e.g., one-stop service centers, organizational changes, performance targets, etc.

Model Permitting System

Conclusions we have drawn from the MPS research are that using a consortium to develop consistent permitting strategies and tactics is beneficial, especially for smaller jurisdictions with limited resources to devote to process improvements. Auditing to identify areas that need improvement and designing and implementing permitting systems based on the objectives developed in the MPS project can both be very effective in increasing efficiency and meeting the needs of applicants.

The strategy of sorting projects by size and complexity and expediting the smaller, simpler ones is an effective and appropriate approach in permitting process design. Documenting a repeatable process is a way of formalizing a process and confining the degree of flexibility to an appropriate level.

Section III - Methodology

This section describes the methodology used in the Permitting Processes Assessment project, including the organizational analysis of the Community Development. The four major elements of the assessment project were:

1. Mapping and Analysis (of identified permitting processes),
2. Stakeholder Feedback (including external and internal stakeholders),
3. Jurisdictional Research, and
4. Organizational Analysis of the Community Development Department.

The methodology for the assessment of each of these areas is described in the following pages.

Process Mapping

Mapping Methodology

Mapping business processes illustrate the extent to which the City has in place processes or group of activities needed to create an intentional value for customers while attending to the mandate of a regulatory framework. More specifically, the mapping reveals the efficiency and effectiveness of the design of the business approach to meet the purpose of the process within the constraints of mission and mandate.

The City's Project Team aided in identifying the processes to be mapped and the teams of subject matter experts to be involved in the mapping and analysis. The process to be mapped and analyzed included three organizational areas and four separate mapping teams:

- Finance Division
 - Business licensing process
- Public Works
 - Right-of-Way and Site Development permitting processes

- Community Development Department
 - Building permitting processes
 - Land Use processes

The mapping effort requires an iterative series of meetings with the subject matter expert teams (ranging in size from two to eight) in 2 to 3-hour sessions. The consulting team facilitates and documents each session. The work begins by identifying the purpose of the process, and then, based on that purpose, identifying where the specific process starts and ends; e.g., customer application to issuance of a permit/decision.

The next step in this work is to identify all the tasks and decisions involved in the process, as well as who does each and why. We often get very powerful insights from the subject matter experts, indicating opportunities for efficiency gains, problems with the existing process and suggestions for improvement. These are noted on the process maps. It is also common for individuals working within the process to learn something about the process of which they were not aware of. The mapping process itself reveals common conflicts and inconsistency.

Once all the detailed steps have been laid out sequentially, the next step is to organize the map into a "deployment" chart version of the process. This version identifies all the participants in the process (including the customer/applicant) and organizes the activities they perform. This type of display allows the identification of the skills and competencies involved in the process, the customer interaction points, as well as the flow of the process between and among the participants.

Once the final draft is completed, the team and/or subject matter experts review and edit the map into its final form.

The work to develop the process maps for the City of Lynnwood included over 30 separate mapping sessions and resulted in separate process maps developed for:

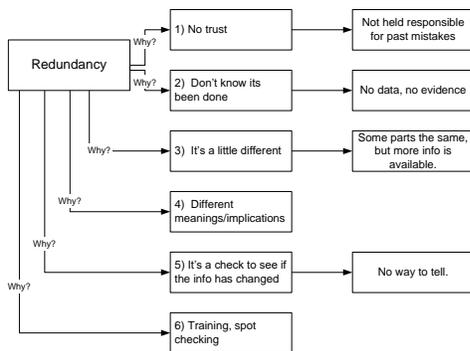
- Business Licenses
- Right of Way Permits (Public Works)
- Site Development Permits (Public Works)
- Commercial Building Permits
- Electrical Permits
- Preliminary Plat Decision (Land Use)

- Conditional Use and Variance Decisions (Land Use)
- Rezone Decisions (Land Use)
- SEPA Decisions (Land Use)
- Comprehensive Plan Amendments
- Code Amendments

Additionally, the process maps often have the process performance measures (e.g. the cycle time, volume, etc.) placed directly on the maps. It is common to have the customer's and stakeholder's expectations and issues identified on the process map.

1) Redundancy

Identify the reasons for the redundant step, is it because of lack of trust? Is there something different?



Further analysis of process maps (as illustrated in the analysis diagrams below) includes reviews for redundancy, complexity, bottlenecks, value-added steps, feedback loops, and; for skills required. The illustrations below help guide the analysis of each process map, and reveal the extent to which redundancy, complexity, bottlenecks or constraints and feedback loops are intentionally designed (anticipatory and proactive) or ad hoc (e.g., driven by

events).

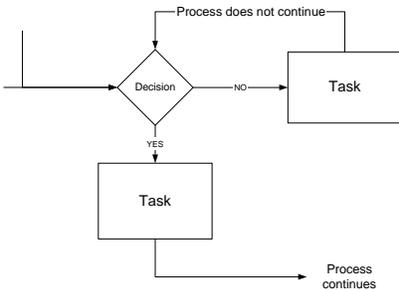
A redundant step is not, by itself a problem. The reasons for the redundancy must be understood, in order to safely eliminate duplicate steps.

Formal risk management or planning is the most likely reason for designed redundancy in a regulatory process. Formal risk management was not evident in Lynnwood's process.

Complexity is often identified by the number and placement of decision diamonds in a process. Each causes a delay, loop or halt to the work.

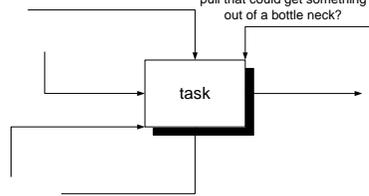
2) Complexity

Look especially at decision boxes
(these represent potentially several loops, and big time lost)



3) Bottle Necks

Look for lots of input arrows.
Best way to deal with bottle necks is to trace up the line and see if it can be dealt with by some other means. What is the pull that could get something out of a bottle neck?



Bottlenecks also referred to as constraints, also cause delays and backups in the work. Typically, these are caused by limits in subject matter expertise, equipment, facility or other resources.

Feedback loops are an essential element of good process design because they enable a process to self-correct and improve. However, by this same logic, poor design of feedback loops can cause a process to “over correct” and react to small signals thus making changes constantly.

Understanding the value-added steps in a process is essential for determining both the capacity of the process and the capability of the process to deliver its intended purpose. Identification of all the steps that add value to the outcome needs of the process.

In the same way, identifying the skills required helps remove bottlenecks caused by limits in skills, and expands available knowledge needed at the value-added steps.

4) Feedback Loops

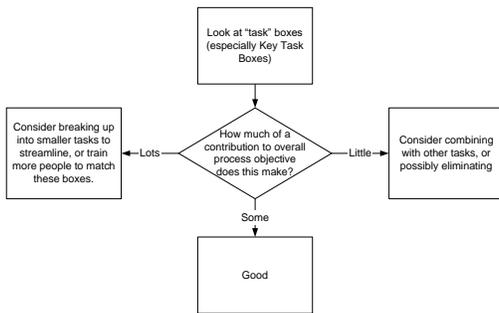
What to look for:
A) Identify Key Task Boxes
B) Is the feedback adequate?
C) Is the feedback early? (the sooner the better)

What are the Key Task Boxes?
- Generally after “yes” line on decision box.
- Must be done well.
- Must be done in sequence
- Feeds the downstream system

What is adequate feedback?
- Non-personal
- Regular
- Accurate
- Specific

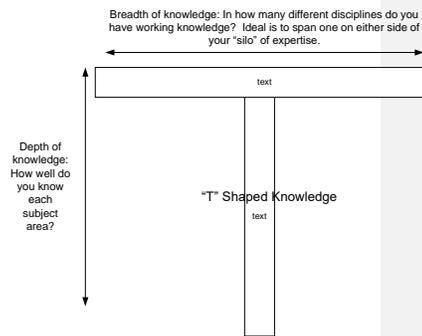
How to fix:
A) Place boxes close together
B) Build in mechanism (technology?) for tracking outcomes
C) Make it an active system, i.e. does the system “tell” me, or do I have to “ask”?

5) Value Added



6) Skill Required

Consider the task boxes, especially "Key Task" boxes and ones with high value added. What level of knowledge do you have? What level is required?



While illustrating how each of the processes actually works, the method used for mapping also facilitates a deeper analysis of each of these processes, including:

- The volume of work accomplished by each process.
- The quantity and type of resources required to accomplish the work of that process.
- The process performance problems as expressed by employees who work in the process.
- The process performance problems as expressed by customers and stakeholders who use and work with the process.
- The process performance criteria as identified by owners of the process (what does "good" look like).

Stakeholder Feedback- Methodology

The Stakeholder Feedback methodology consisted of two primary elements;

- Facilitating two external focus groups, and
- Conducting over 20 internal interviews.

Demarche Consulting Group facilitated two "focus group" sessions with external stakeholders of the City of Lynnwood's permitting processes on March 3rd and 4th, 2004. The Project Team developed a focus group invitation list, identifying individuals who have historically participated in different capacities in the permitting processes. Invitees included developers, applicants, engineers/architects, contractors, and sub-contractors, as well as individual business owners and organized professional associations. Over two hundred and fifty invitations were sent out. Additionally, the focus group invitation was distributed at the Lynnwood Rotary Club, as well as announced in the **Enterprise** newspaper publication.

The focus group attendees did not represent a statistically valid cross-representation of the various perspectives of stakeholders in the permitting processes. Rather, the focus group invitees were predominantly drawn from those who participate as a stakeholder in permitting, rather than the general community at large. That being said, the two focus groups were well attended, with over fifty individuals attending.

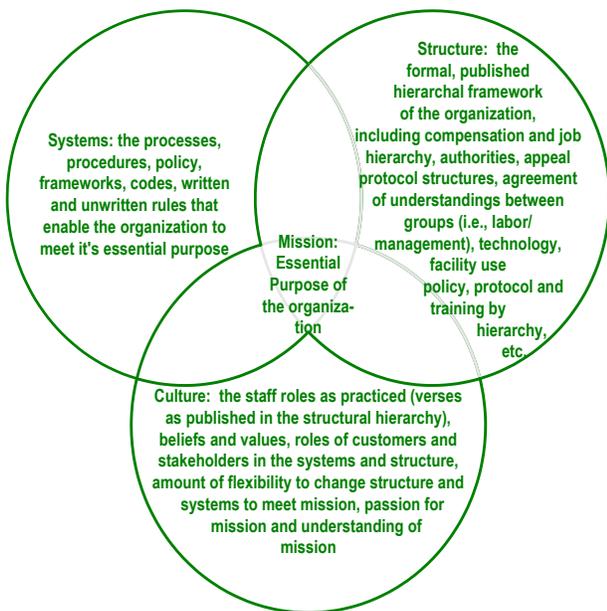
The focus group attendees were asked to provide input, from their perspective, on the City's permitting processes. Specifically, attendees were asked to identify what was working well for them, what wasn't working well and to provide suggestions for

improvements to the permitting processes. It is very common in focus groups to receive a larger percentage of negative than positive feedback from attendees. Additionally, attendees frequently share isolated and specific anecdotal experiences. Demarche Consulting Group has conducted dozens of these sessions and is adept at translating anecdotal issues and complaints into larger picture themes and patterns.

The internal interviews were conducted with over 20 City of Lynnwood employees, including the Mayor's office, Council members, the Finance/Administration Department, Public Works, Fire, and Community Development Departments.

Community Development Organizational Analysis Methodology

The Demarche Consulting methodology for organizational analysis is holistic, looking at an organizations system, structure and culture. With a comprehensive view in mind, we review several organizational performance attributes, including:



- **Is CDD easy to do business with?** This is the customer results and service aspects of an organization. What do customers need? Are the business processes designed to provide what customers need according to the parameters customers specify?
- **Does CDD add more value for customers?** This is especially necessary since the regulatory process is a monopoly, and creates the constraints

customers go through to get the services they need from CDD. Creating value is likely to take the form of skilled coaching, online services, less review, simplified code, etc.

- ⇒ **Are CDD/City processes streamlined to provide the services so customers get results without having to manage inefficiencies?** Obsess about improving and fine-tuning the approach to getting results by having clear process ownership – this means someone who has a clear responsibility to pay attention to improving the way processes work to deliver results.
- ⇒ **Does CDD use the measurement for improvement and communicate process performance to both staff and customers?** Use measurement for insight and then improvement, not punishment.
- ⇒ **Does CDD push past boundaries to achieve results for customers while meeting the mission?** Old ways of doing things may no longer be appropriate in every case; i.e., not everything has to be reviewed. Old assumptions about management will be challenged, e.g., that lower paid staff should do “clerical” type tasks, or that “the first customer it should be the first customer served”.
- ⇒ **Do management and leadership demonstrate effective management and leadership skills?** Defining and modeling behaviors that allow for the alignment of formal and informal cultural characteristics require challenging current paradigms and practices. In order to successfully integrate the new transformational processes, leaders must be able to clearly articulate create an environment in which their people have the opportunity to succeed.

Jurisdictional Research - Methodology

The scope of this project included research into the practices of selected jurisdictions identified by the City of Lynnwood – Everett, Tukwila, and Renton. Though we were not involved in the selection process, our understanding is that Tukwila was chosen because it is home to a regional shopping mall (similar to Lynnwood), Renton was selected because it has a reputation for having a progressive and customer-oriented permitting organization, and Everett was included because it is the closest major city to Lynnwood. Though the cities are not actually similar to Lynnwood in population or permitting volumes, useful lessons can be gleaned from comparisons.

Phone interviews were conducted with approximately 14 staff at the three comparison cities, in the Finance, Public Works, Building and Planning organizations. Data were collected regarding the volume of permits and licenses (by type), revenues generated, staffing levels, improvement efforts, and business practices. Population, housing stock,

and density data were gathered from the State Office of Financial Management for purposes of comparing the cities' demographics.

As requested by the City of Lynnwood, the scope of this assessment also included contacting the jurisdictions who are full members of the Snohomish County Economic Development Council's Model Permitting System, a project to improve consistency and permitting process performance within these jurisdictions. The purpose of this research was to help Lynnwood determine how heavily it should become involved in the project and what benefits might result. The contact person at each of these six jurisdictions was interviewed via phone. They were asked why they chose to become involved, what changes they had implemented, the benefits they had realized, and what (if anything) they saw as disadvantages of the project.

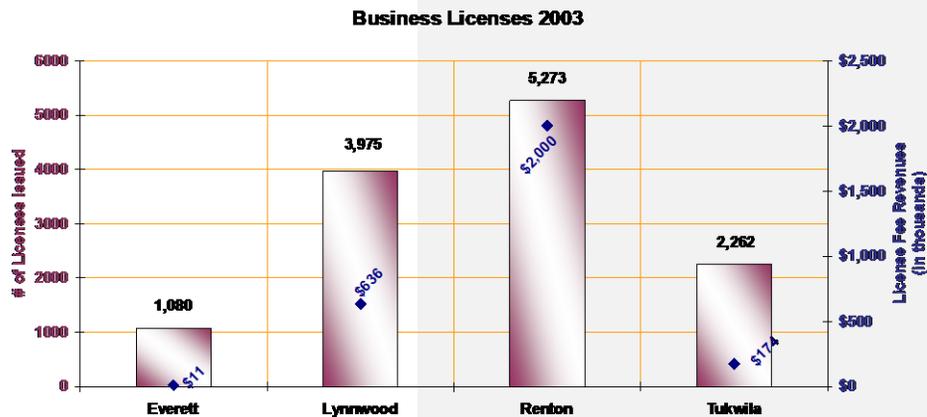
Section IV – Data

In this section, a summary of the data collected that support the findings and conclusions presented here are included. We have attempted to summarize these data in the form of charts, graphs, tables and references to other published documents.

Business Licenses

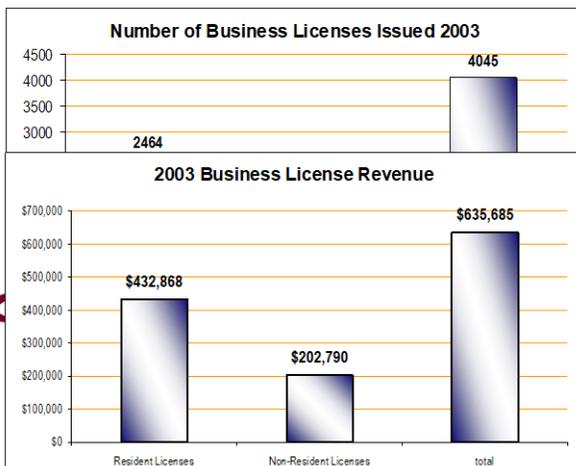
The majority of Lynnwood Business Licenses fall into two categories: a business that has an operating location within the City Limits (Resident Business License) and those who provide services within the City Limits but not at a specific location (Non-Resident Business License). The figures below show the volume and revenue of these two categories.

Resident Business License applications are routed for review to six different City departments. The review takes between four to six weeks to be completed. In contrast, Non-Resident Licenses are generally issued the same day the application is paid. Since there is no residency, no review is required.



Inter-Jurisdictional Comparisons

Fees and revenues from business licenses vary significantly, probably related to whether or not a jurisdiction imposes a Business and Occupation Tax. For Everett, the business license fee is only \$10, which essentially registers the business for the subsequent collection of the B&O tax. For Renton

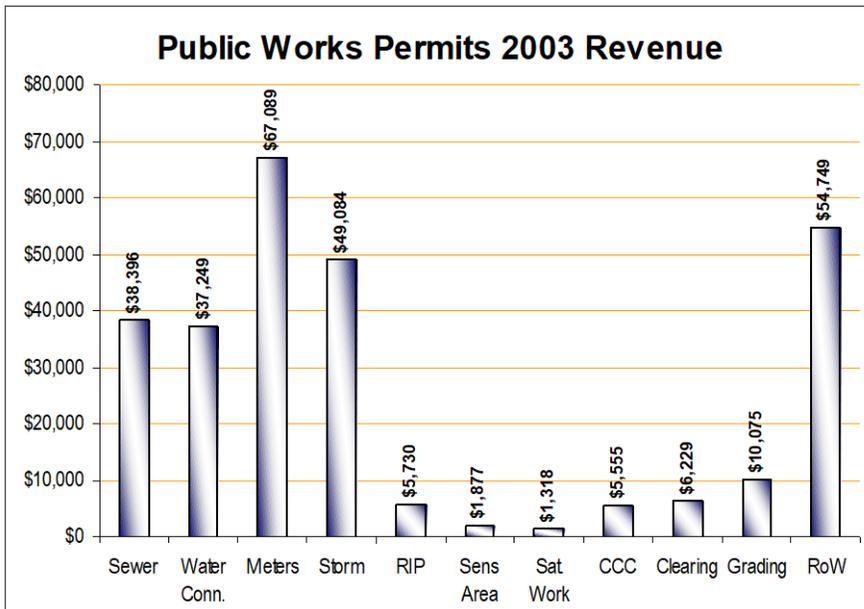
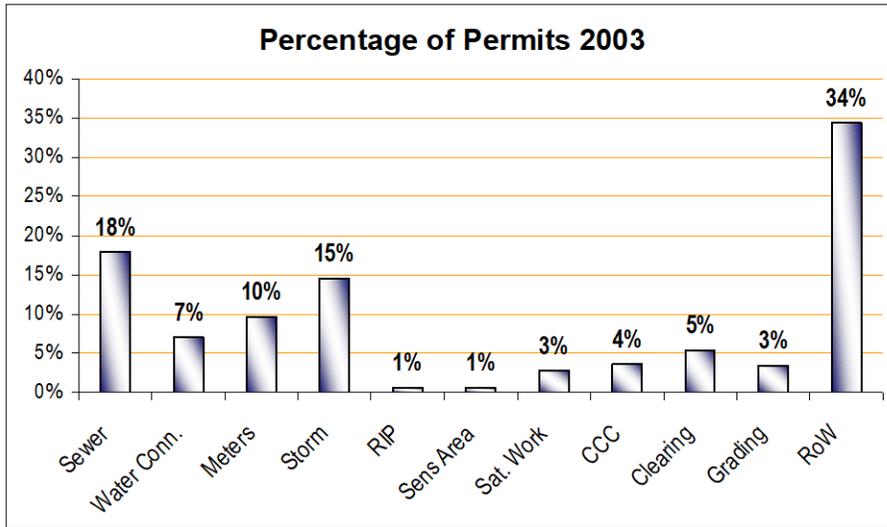


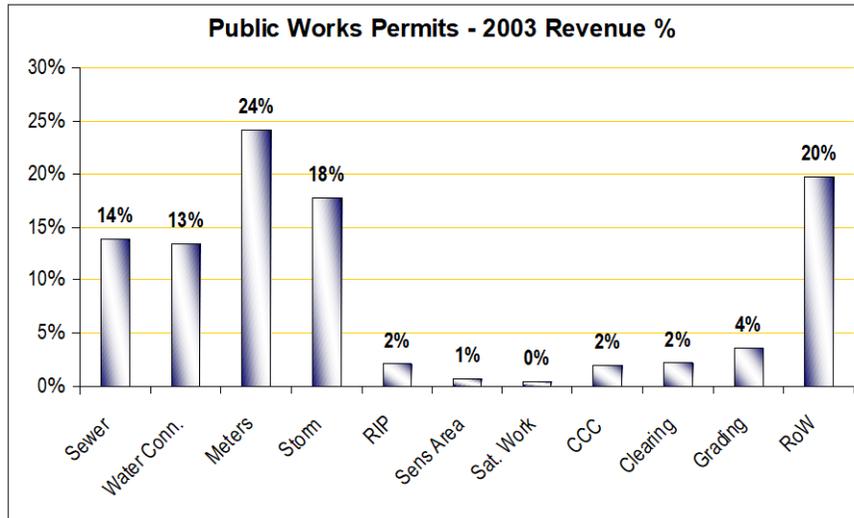
and Tukwila, the license fee is greater and these Cities do not have a B&O tax. Renton's complex fee system is based on the number of hours each employee works within the City and is billed quarterly.

For Renton and Tukwila, the **turnaround time** for "resident" business licenses is about 2 weeks, for Everett, it is one week and for Lynnwood, it is 4 to 6 weeks. All of these jurisdictions route the application for review by other Departments. In Everett, applications are routed to Planning. Renton and Everett accept **credit card** payments for license fees.

Public Works

The Public Works Department issues a variety of permits pertaining to City infrastructure and works within the City right-of-way. Right-of-way permits, site development, and utility permits make up the majority of Public Works permits. The figures below show the volume and revenue of Public Works permits.





Right of Way Permits

Right of way permits are processed at the Public Works counter. Simple permits are processed in one-day. Other permits, which do not require specialized Public Works review, are reviewed and issued within 5 working days. The table below shows the performance of Right-of-way permits process:

Number of days (intake to issuance)	2003 volume	Percentage of volume
0 (same day)	79	29%
1 to 5 days	93	34%
6 to 10 days	49	18%
10+ days	52	19%
Total	273	

Site Development Permits

Public Works is responsible for issuing site development permits prior to construction activity taking place. The chart below reflects the process performance of reviews based on a sampling of the City's Excel tracking information.

Review of Development Review Projects

Initial review cycle time = 6 weeks (average, based on a review of 16 projects)

Second review = 4 weeks (average, based on a review of 7 projects)

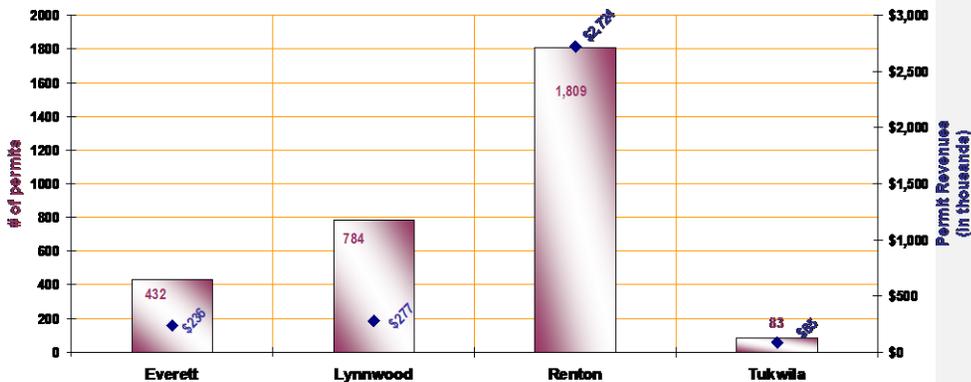
Inter-Jurisdictional Comparisons

The following chart provides an overview of the volume of Public Works permits and permit revenues for the comparison jurisdictions. The volumes are hard to compare because some jurisdictions (Renton and Tukwila) include Public Works approvals in some building permits, and Everett wraps all a project's approvals into one Public Works permit.

- ➡ **Turnaround time** goals for the initial plan review in Renton and Everett are 3 to 4 weeks.
- ➡ **Permit fees** vary across the jurisdictions, with the range being 3% to 5% of the value of the work. The typical fee is 4 ½ to 5%, though Tukwila reduces the fees for larger projects to 4% and 3% depending on the size of the project.

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Public Works Permits 2003



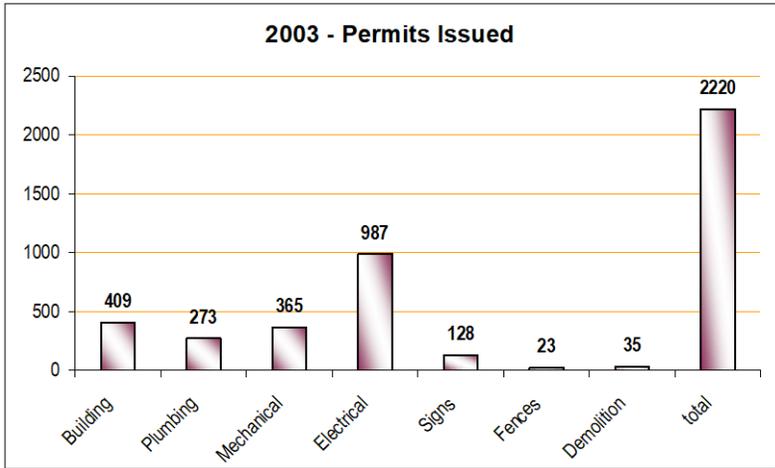
Community Development

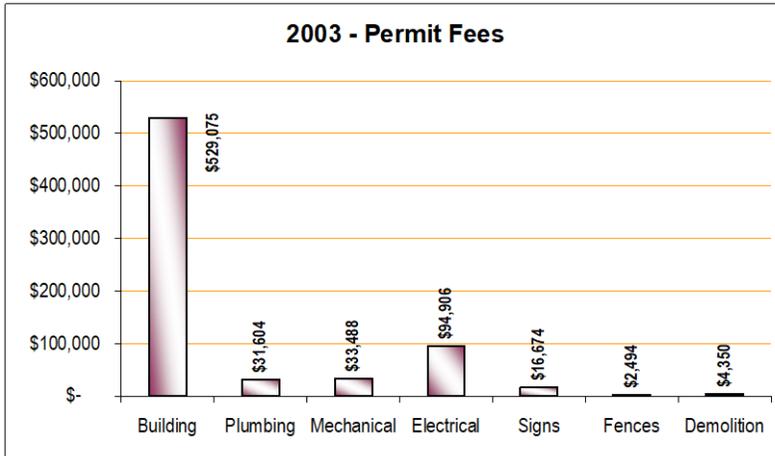
The permitting responsibilities of the Community Development Department are performed by two separate organizational units; Permits and Inspections and Current

Planning. The Permits and Inspections organization is responsible for the intake, review and issuance and inspection of Building, Plumbing, Mechanical, Electrical Permits, as well as permits for signs, fences, and demolition. The Current Planning organization is responsible for reviewing building permit applications for Zoning Code Compliance and Land Use Decisions (permits) including Plats, Short Plats (subdivisions of four or fewer lots), Variances, SEPA review, and Boundary Line Adjustments.

Permits and Inspections

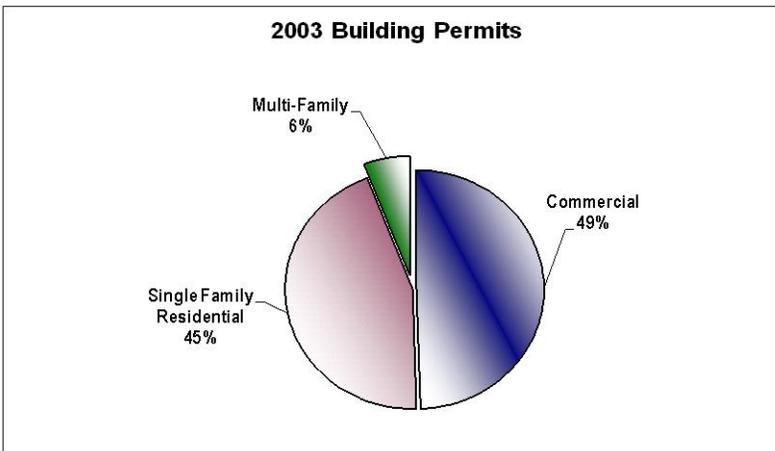
The charts below show the volume and revenue of the Permits and Inspections Permits.

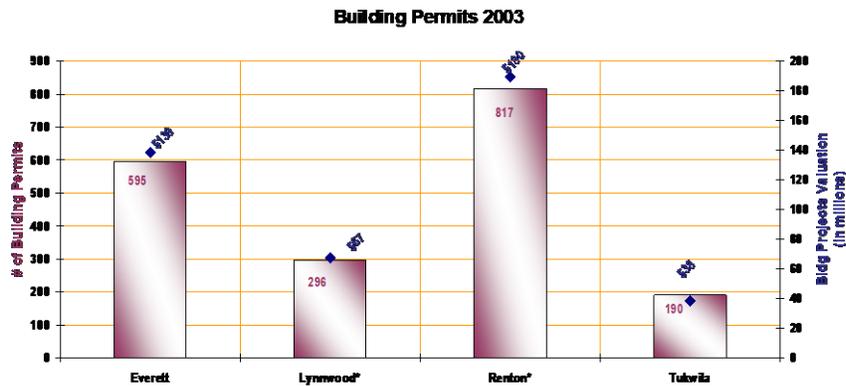




While Electrical permits account for a majority (44%) of the volume of permits, Building Permits account for the majority (74%) of permit fee revenue. Additionally, Building permit fees are established on the valuation of the project value. Building projects are also assessed a "Plan Check fee" to cover the costs of the City's review of the plans, as established by the Uniform Building Code.

The Charts below show the distribution of the major types of building projects permitted by Permits and Inspections in 2003.





Inter-Jurisdictional Comparisons

➤ The [comparison](#) jurisdictions researched vary quite a bit in the volume of building permits and the valuation of the construction projects that are permitted, as illustrated in the following chart.

↔ **Renton, Tukwila, and Everett** each have a One-Stop Permitting Center, where Public Works, Planning and Construction Permitting expertise is available at the counter. Renton's includes Fire, and Everett is looking at adding Fire and Park's expertise to their counter service. Tukwila's fire permits are issued out of a fire station.

↔ Renton and Everett have **turnaround time** goals for the initial review. In Everett, performance to these goals is part of individual staff's annual performance reviews. In Renton, the goal for the initial review of new single-family homes and tenant improvement drawings is 2 weeks and is 5 weeks for new commercial buildings.

↔ **Over-the-Counter (OTC) permits** are available at each of the three comparison jurisdictions, to varying degrees. In Renton and Everett, there are no set parameters for the types of projects that will be accepted as OTC applications; the decision is made on a case-by-case basis. Renton issues about 400 OTC permits annually. Tukwila provides OTC permits for "repair and replacement" permits, especially for emergency repairs.

↔ In each of the comparison jurisdictions, only the Building Official signs **Certificates of Occupancy**. In Lynnwood, the Director of Public Works and the Fire Marshall also sign the document.

➤ Each of the comparison jurisdictions has separate **review and inspection staff**. Renton and Tukwila use "combination inspectors" (building/mechanical and/or plumbing).

↔ Tukwila is implementing their IVR (Interactive Voice Recognition) system (for inspection requests) this spring.

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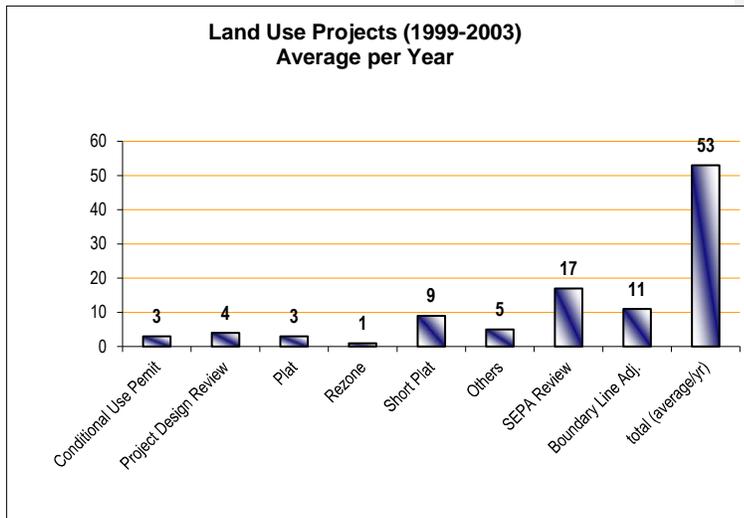
Everett expressed the attitude that their commodity is public service, so if they can issue a permit over-the-counter or with reduced paperwork, they will do so.

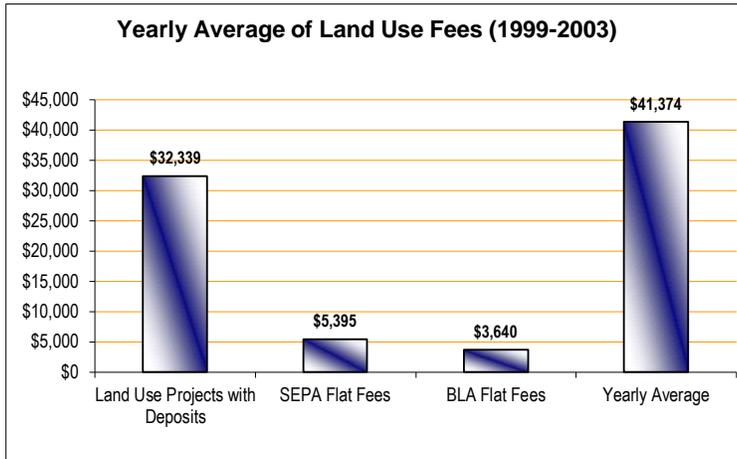
Current Planning

Current Planning permitting processes include Plats, Short Plats, Rezones, Project Design Reviews, Conditional Use Permits, Variances, Boundary Line Adjustments and other miscellaneous applications. Additionally, the organization is responsible for coordinating environmental reviews of development projects, and for reviewing Building Permit applications for compliance with the Zoning Code.

It is difficult to analyze the annual performance of Land Use Applications processes in a jurisdiction the size of the City of Lynnwood. This is due to the fact there is relatively low volume combined with the long-term nature of Land Use decisions – which frequently take multiple years.

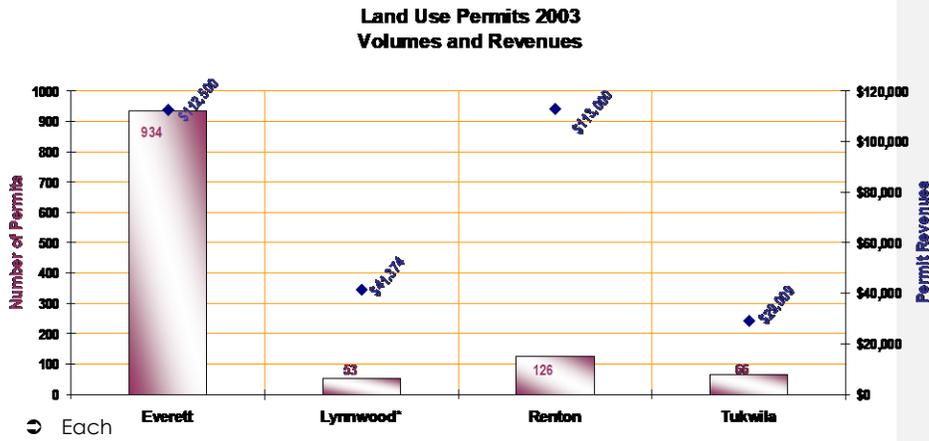
Demarche Consulting Group worked with the administration of Community Development and gathered a five-year averaging of the Land Use applications (See charts below).





Inter-Jurisdictional Comparisons

The following chart illustrates the volume of Land Use (or Planning) permits/decisions and revenues from these permits for 2003¹ for the comparison jurisdictions.



¹ Lynnwood's data is from the Excel file provided by Ron Siddell, of Land Use Project volumes and fees averaged over the 1999-2003 period.

of the comparison jurisdictions has fixed **fees** for Land Use permits, and these are available on their websites. Only Lynnwood has fixed application fees and hourly fees for reviews.

- ⇒ **Pre-application meetings** that involve Planning, Public Works, Building and Fire are offered by each of the jurisdictions. In Renton and Everett they are free; Tukwila charges \$200 that is then applied towards the permit fee if the application is made within 90 days. In Renton, written comments are provided to applicants by each reviewer. In Tukwila the meeting is tape-recorded and written comments are provided. Everett doesn't document the meetings.
- ⇒ Interviews with other jurisdictions (including the MPS members) indicates that increasing the number of land use decisions made by the **Hearing Examiner** is desirable, in that non-policy decisions should be removed from the political arena and be made by an objective body charged with applying the existing codes and regulations.

Comprehensive Planning

The third CDD division is responsible for developing the City's Comprehensive Plan, including the annual amendment process. While these processes are not per se permitting processes - as part of a comprehensive review we felt it was important to review these processes because of their very nature and their impacts and linkages with City permitting processes.

Jurisdiction Research - Data

The following chart provides basic demographic information about the three main comparison jurisdictions.



The structure of the permitting services function varies significantly between the jurisdictions. In Everett, the Engineering and Public Services Department houses construction review and permitting (building, public works and others) while the Planning and Community Development Department provides current planning reviews and long range planning. In Renton, the Planning/Building/Public Works Department houses review and permitting, while the long-range planning function occurs in the Department of Economic Development, Neighborhoods and Strategic Planning. The organizational structure in Tukwila is similar to Lynnwood's, where there is a Department of Community Development and a Public Works Department.

Model Permitting System Data

The Model Permitting System (MPS) project began in late 2001 in the form of a public-private partnership realized in the Permit Streamlining Committee. Its goal was to make each stage of the permit process as efficient and effective as possible. The Land Use decision/permit process was tackled first, and work is underway in 2004 to address building permitting and civil review of construction permits.

The MPS is based on a three component framework:²

1. Jurisdictions should adopt and maintain efficient policies and procedure;
2. Jurisdictions should implement a hearing examiner system; and,
3. Jurisdictions should distinguish between simple and large, complex projects and expedite their reviews.

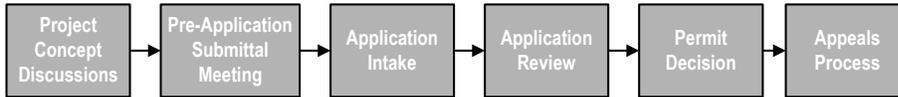
Specific tactics developed by the MPS project are to:³

10. Document a repeatable process of permit processing steps and standards.
11. Establish checklists for input sufficiency.
12. Manage workflow to enable reliable collaboration schedules.
13. Audit current processes to determine sufficient MPS design and transition plans.
14. Pool membership resources, coordinate efforts, and collaborate.
15. Collaborate with applicant representatives along the way to ensure revised applicant steps and standards are feasible.

□ ² Model Permit Report, Economic Development Council Permit Streamlining Committee, Snohomish County, December 2002.

□ ³ Snohomish County EDC, MPS Leadership Team Meeting notes, 12 February 2004.

The Model Permitting System is based on a six-stage permitting process construct, as illustrated in the following diagram.

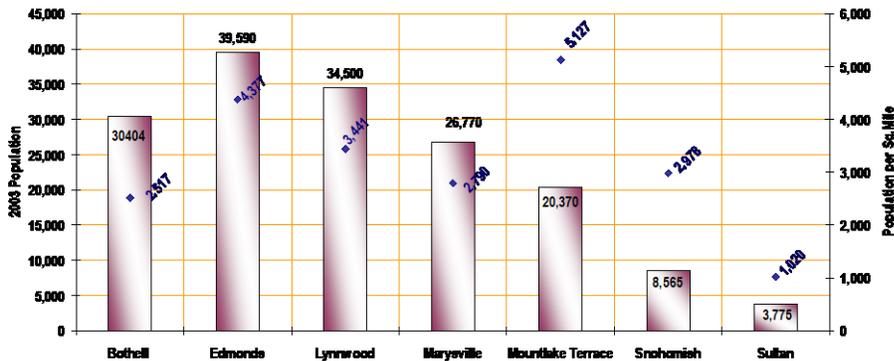


There are objectives and strategies identified for each of these phases. Some common themes are to:

- Promote a customer service approach.
- Produce a compliant and complete application prior to intake, through up-front and planned collaboration with the applicant, the public and between departments.
- Reduce cycle times.
- Reduce number of re-submittal (correction) cycles.
- Increase predictability.
- Increase consistency of code/regulation interpretations.
- Avoid appeals.

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EDC MPS Member Cities' Population and Density



As shown in the diagram, the size and permit volume of each of the full member jurisdictions varies considerably.⁴

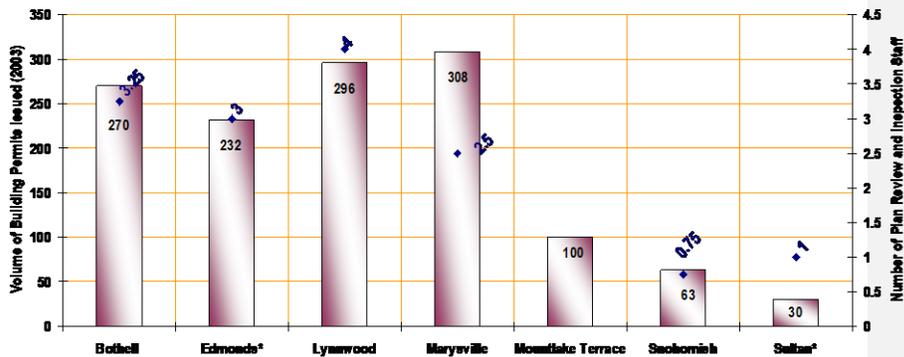
Detailed analysis of staffing levels was not requested or performed, but the following chart provides an overview of the building permitting workloads for 2003 relative to the jurisdiction's staff.⁵ Lynnwood is relatively similar in permit volumes to several of the jurisdictions.

Most of the member jurisdictions expressed that developing consistency among the Snohomish County jurisdictions is worthwhile and of benefit to the applicants and the cities. Three of the jurisdictions had implemented changes reflecting the MPS goals. Comments made by them included:

- The workflow management system seems to help us when we get overwhelmed with applications (it "meters" the incoming applications).
- We have improved our single-family review process and have reduced our

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MPS Member Cities' Building Permit Volumes and Staffing



turnaround time from 8 to 4 weeks.

- The MPS audit identified an unnecessary step, which we were able to eliminate.
- The system requires single tasking of employees – and we don't have the staff for that, or the buy-in that it requires of other review departments.

❑ ⁴ Source of data is Washington State Office of Financial Management.
 ❑ ⁵ Permit volume data per Construction Monitor website. Staffing levels provided by jurisdictions with some approximations due to multi-tasking by staff.

- ⇒ Setting turnaround time goals has helped us.
- ⇒ Defining the deficiencies in the process and outcomes has been a good thing for us.
- ⇒ It's an audit system that helps you create solutions good for your community and its unique needs.

Stakeholder Feedback - Data

This section contains a summary of the feedback received from conducting Internal (City) interviews, as well as conducting two Focus Groups with external audiences. The internal interviews were conducted with over 20 City of Lynnwood employees, including the Mayor's office, (3) Council members, the Finance/Administration Department, Public Works, Fire and Community Development Departments. The two (external) Focus Groups sessions were conducted with invitees, whom had a vested interest in the permitting processes of the City of Lynnwood.

This information is organized into two sections:

Section 1- contains the feedback received in the two Focus Groups, organized as follows:

- ⇒ Positive Feedback
- ⇒ Permitting processes issues-themes
- ⇒ City Leadership/Culture
- ⇒ Coordination
- ⇒ Commitments
- ⇒ Consistency and Predictability, and
- ⇒ Timeliness.

Section 2 contains the feedback received during internal (City) interviews, organized as follows:

- ⇒ Positive Feedback
- ⇒ Permitting processes issues-themes
- ⇒ Role Clarity
- ⇒ Goal Clarity
- ⇒ Resources/Priorities
- ⇒ Permitting Processes

Section 1 - Focus Groups

The following pages identify the general themes, identified as a result of the two focus groups, held on March 3rd and 4th 2004, in conjunction with the assessment of the City of Lynnwood's permitting processes.

Positive Feedback

Many of the focus group attendees have had positive interactions with the City, and in particular with the staff members involved in the permitting processes. The permitting staff were complimented on their competency and their accessibility – with a particular emphasis contrasting this accessibility to the lack of it in other jurisdictions.

Not requiring appointments to submit applications, and the ability of staff to return phone calls, were examples cited as a positive item for the City. Being able to meet with Planners and Permit and Inspection staff was cited as a positive – in particular contrast to some other jurisdictions.

Additionally, the Building Official was recognized as having increased the flow of projects at Lynnwood. The Finance Department, the Police Department and Economic Development Department were cited as helpful in getting special events permits.

Many of the Focus Group attendees also shared positive perceptions of the fees charged by the City, as well as not having to pay them upfront – again with a particular emphasis of these items as a benefit contrasted with some other jurisdictions.

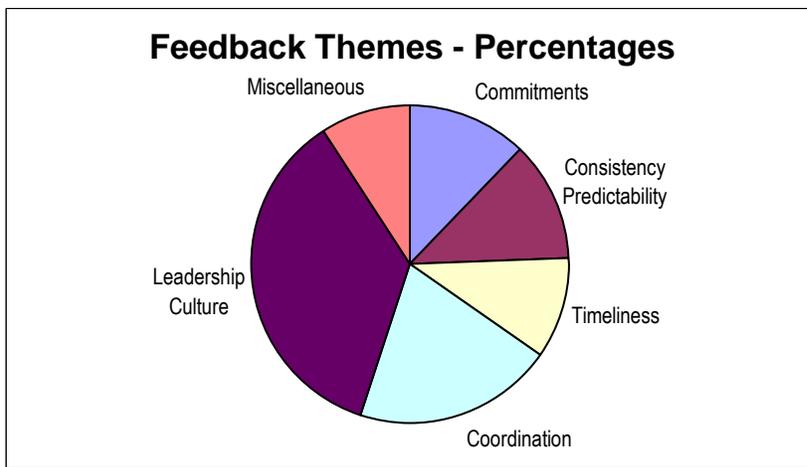
Overall Feedback

The majority of the input received during the focus group sessions was feedback that identified problems and described desired attributes for the City's permitting processes. This feedback has been organized into five categories:

1. City Leadership/Culture;
2. Coordination;
3. Commitments;
4. Consistency and Predictability;
5. Timeliness.

The chart below depicts a rough distribution of the input received. As the chart illustrates, the majority of issues expressed by the attendees of these two focus groups were captured in the City Leadership/Culture category. The other four categories were equally represented in the feedback received.

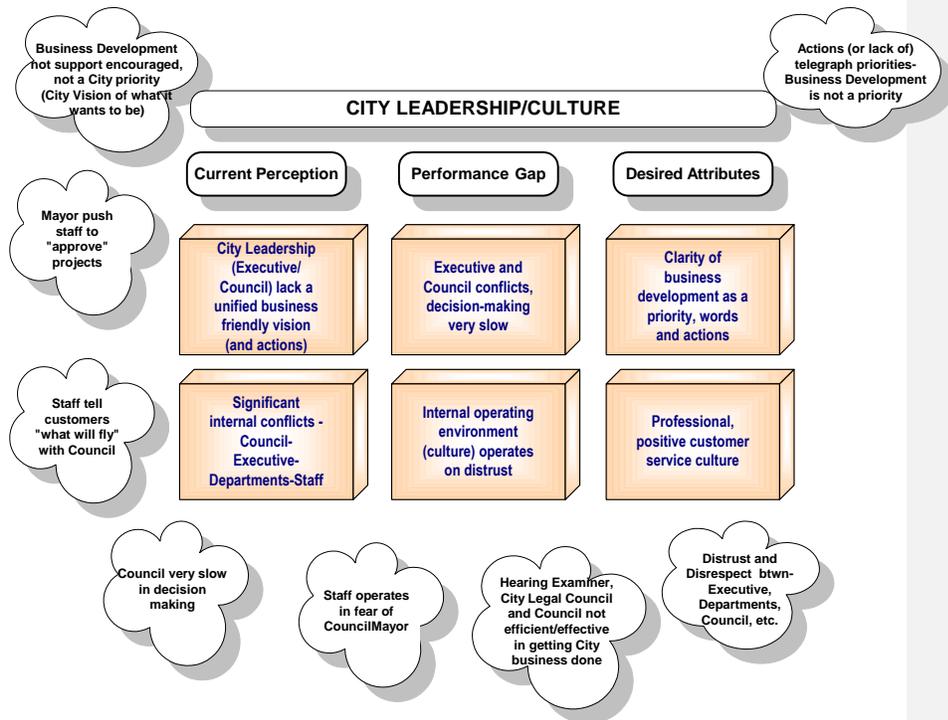
The following sections describe each of the themes identified by the focus group attendees. Additionally the attendee's current perceptions, the attendee's desired performance attributes as well as the gap between the two is depicted graphically. The graphic for each theme also includes some of the more frequent comments as subsets of the themes.



City Leadership/Culture

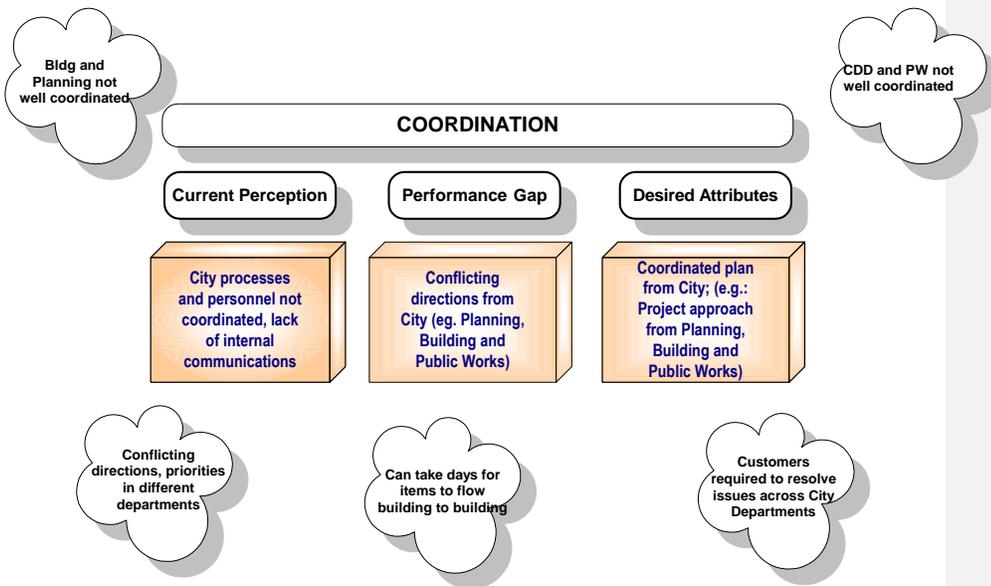
There was a prevalent perception; among the focus group attendees that City Leadership (identified by attendees, specifically as the Mayor, the Council and Department Heads) were not unified in efficiently and effectively managing business development within the City. The lack of a published business development vision, public disrespect and personalized disagreements at Council meetings, as well as direct conversations and feedback with individuals involved in the development processes were cited numerous times.

Focus group attendees cited the Executive/Legislative disagreements, the lack of role clarity, unclear authority, and lack of trust between City Leadership; all contribute to staff and process performance problems within the permitting processes.



Coordination

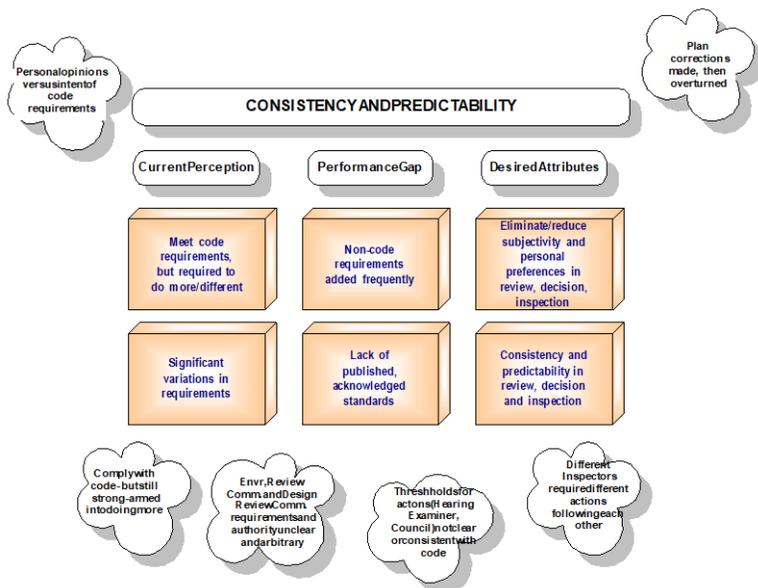
The focus group attendees cited a significant and visible lack of coordination between departments involved in the permitting processes. Focus group attendees provided anecdotal examples of customers identifying and being required to resolve conflicts between departments. The lack of coordination between the Building Division, the Planning Division and the Public Works Department were identified most frequently.



Consistency/Predictability

The focus group attendees shared a prevalent perception that meeting code requirements was not sufficient for project approval. The perception of a number of vocal attendees is that development projects are regularly required to meet multiple individuals (often competing/conflicting) "personal preferences/agenda's." Positions of authority cited included the entire range of positions in the permitting process – including reviewers, planners, building and fire inspectors, Council members, and Mayor's Office. Focus group attendees shared a prevalent sentiment that there is a significant amount of subjectivity wielded unilaterally. The subjectivity was often described as arbitrary and many attendees have felt powerless to resist or raise their concerns for fear of potential retribution actions.

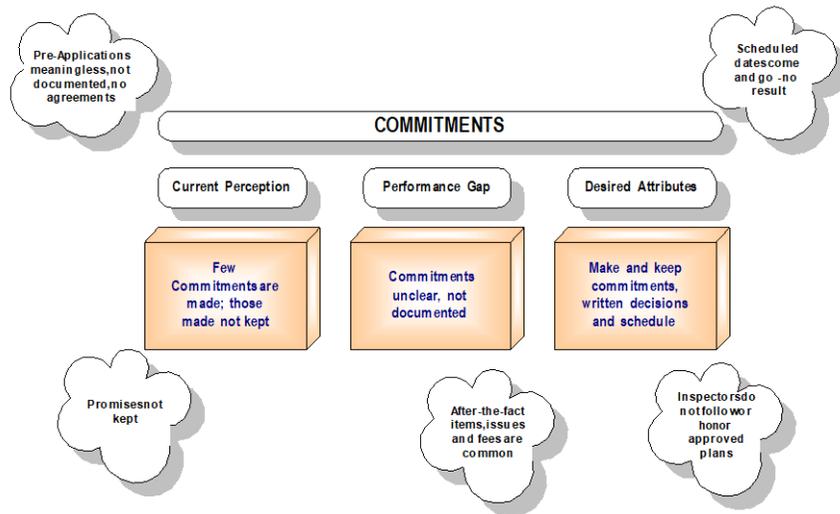
Attendees shared a consistent theme of not being able to rely with any degree of certainty on much – throughout the entire permitting process. The lack of consistency and predictability included requirements, timelines, schedules and costs. Additionally, attendees expressed a lack of consistency and predictability with many of the decision-making elements of the permitting processes, including the Design Review Committee, the Environmental Review Committee, the Hearing Examiner and Council processes. An overriding theme of not knowing who had which role and what criteria or thresholds triggered what decisions were also prevalent.



Commitments

The focus group attendees shared their perceptions that the City does not make enough commitments and the few commitments that are made are often not kept. Pre-Development meetings that could or should be documented are not, and agreements that are made verbally are not kept, were examples shared by several attendees. The inability to commit to specific dates, to timelines that include turnaround times and project schedules were cited as further examples. Requirements well in excess of code specification, as well as field changes to approved drawings, were additional examples shared by the attendees.

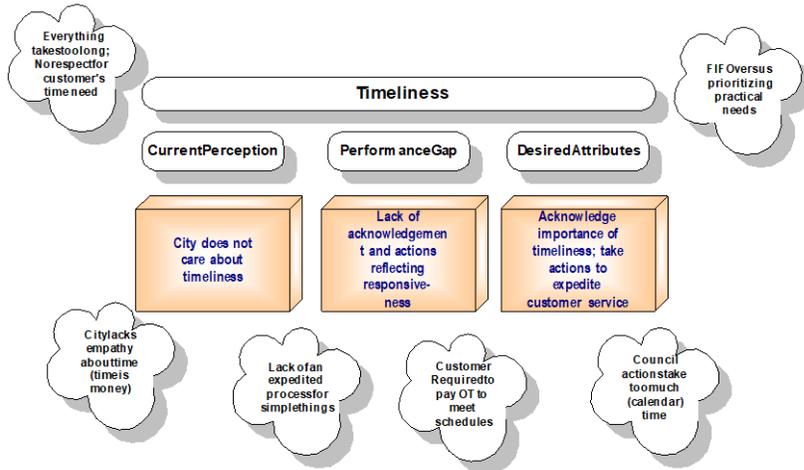
The City's complex and slow decision-making processes were cited as very frustrating to try to predict and rely upon. Numerous attendees felt the Hearing Examiner process and role was not helpful. This was largely due to decisions being revisited or overturned during the City Council process.



Timeliness

The focus group attendees shared their perceptions that the City does not seem to value time. Simple projects and decisions can often take as long as complex ones. The City's "first-in-first-out" policy often results in simple things being queued up behind complex items. The City requiring overtime payment to expedite things was cited as inappropriate – and also was cited as ineffective in expediting.

There was a common sentiment shared about the lack of empathy or understanding on the City's part that time is money in the permitting process. There was an additional common sentiment that everything just takes too long. Work that takes just hours of City labor time to complete, can take weeks or months to actually occur.



Internal City Interviews

The following pages identify the general themes resulting from conducting internal City interviews. Interviews were conducted with over 20 City of Lynnwood employees in February 2004. Interviewees included the Mayor's office, Council members, and Departmental Management from the Finance/Administration, Public Works, Fire and Community Development.

Positive Feedback

Many of the individuals interviewed identified positive items associated with the City's permitting processes. In the Business Licensing area, the new Business License Application form has been simplified from nine pages to two pages. The new Tax Tools computer system was cited as a significant improvement in that it will provide more capabilities for electronic routing and improved reporting capabilities.

Many of the interviewees cited the development of a new Special Events Ordinance as an example of improvement, because it represents agreement for a process improvement between the Mayor, the Council and the operating departments.

The Building Department and the Fire Department cited numerous benefits of their cooperative relationship to faster permit processing, especially with Business Licenses. Additionally, the newly hired City Administrator was cited numerous times as extremely beneficial in improving communications.

Many individuals cited the "Pre-Development meetings" as a benefit to both the City and developers. Additionally, others cited the City's efforts with the International City/County Management Association (ICMA) in gathering and reporting performance measurement data as a significant improvement in understanding and improving performance of City processes.

Overall Feedback

The feedback from the internal interviews has been organized into four categories:

- Role Clarity,
- Goal Clarity,
- Resources/Priorities, and
- The Permitting Processes.

Role Clarity

Many of the individuals interviewed shared perceptions that there is a significant disconnect between what they expected to happen and the expectations and actions of others. This sentiment was consistent across all departments, including the Mayor's office, the City Council and the Operating Departments. Examples of the staff usurping Executive and Legislative roles were cited, as well as examples of Council and Executive interventions in operating department roles and responsibilities.

When describing the linkage and relationship between the Community Development Department and Public Works, interviewees used the terms "operating silos" and "turf" frequently.

Goal Clarity

A very close corollary to the Role Clarity disconnect cited above, is the disconnect in Goal Clarity. The City has responsibilities both of a public service agency and as a regulatory agency responsible for health, safety and welfare of the general public. Interviewees cited numerous examples of the polarization of these responsibilities resulting in an "either-or" context.

Many of the interviewees share observations that consistently highlighted a problem with alignment of the three major entities of Executive, Legislative and the Operating Departments.

Resources/Priorities

Those individuals representing the permitting processes within the operating department's all cited a shortage of resources (budget, time and staff) as significantly affecting their performance.

The computer systems were also cited numerous times as being antiquated and cumbersome. The permit tracking computer system was originally scheduled for upgrading in 2001 (software purchased) and is currently scheduled for upgrade in March 2004.

Examples of initiatives developed internally by the operating departments but never successfully implemented included:

- Over the Counter Permits, expansion
- One Stop Permit Center
- Permit Improvement Group – identifying internal improvements
- Blanket Permits

Ability to accept credit card payments for permitting.

Permitting Processes

Over and above the resources and priorities issues identified, interviewees provided a significant amount of feedback regarding the performance and problems associated with the permitting processes. These included:

The City's Code was identified numerous times as being out of date, complex and cumbersome. The zoning code was specifically cited as complex and out of date.

- The Hearing Examiner, Council roles and processes were cited as adding complexity and significant time to the processes.

- In addition to the technology shortfalls, the use of addressing across the permitting processes was cited as more complex and cumbersome than it should be.
- Additionally, interviewees identified that many procedures, policies and processes are not well documented, aka "informal".

Many of the interviewees - external to the operating departments described expectations of the permitting processes that included:

- Processes managed and lead with a customer service, problem solving and collaborative approach. Processes that help applicants and developers get to a "yes" - contrasted with multiple iterations of saying "no". More collaborative, business friendly processes.
- Processes that are fair and protect the public interests.
- Processes that are simpler and explainable.
- Processes supported by technology and have good customer public handouts, descriptions.
- Processes that are resourced to perform as expected.

Inter-Jurisdictional Comparisons

The following are our findings regarding the process the comparison jurisdictions used to assess customer satisfaction, and some of the improvements that it has caused.

- Everett attaches a customer survey to each Land Use application and Renton provides applicants with customer comment cards at every interaction. Tukwila has not surveyed their customers.
- Renton is currently improving their use of the web in providing services and information, are co-locating all their inspectors, and are hoping to develop a customer-friendly way for applicants to pay with credit cards.
- Renton is considering implementing a "secret shopper" program to assess quality of service.
- Renton reorganized their structure about 11 years ago, putting Utility Systems, Development Services and other groups into a Planning/Building/Public Works Department. They report being very pleased with the results.

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Community Development Department

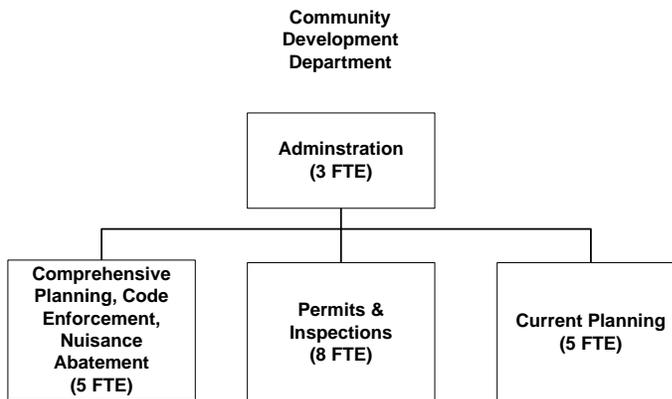
The mission of the Community Development Department is to be "... responsible for current and long range planning, permitting of land use and building projects, code enforcement and orderly growth and development of the city."⁶

The Department is responsible for implementing regulations, ordinances and plans as adopted by the City Council and administered by the Mayor. Department staff members do this through administration of the City's development regulations and building codes and through coordination of City programs and activities with the public and other interested jurisdictions. Further, the department conducts code enforcement activities and takes action to correct nuisance problems. Staff members serve local citizens, homeowners, elected officials and other city staff personnel, contractors, developers, realtors, investors and many others. Regardless of the customers, the Community Development Department primary purpose is to provide assistance to everyone involved in development activities within the community in a fair and expeditious manner.⁷

The Department consists of an administrative core and three programs:

1. Permits and Inspections,
2. Current Planning and,
3. Comprehensive Planning.

The administration function coordinates the divisions of the department, and contains the director and two staff members. These individuals provide overall management, budget support, development and maintenance of department web pages, forms and applications management, purchasing and clerical support.



□ ⁶ Excerpted from the 2003/2004 City Budget documents

□ ⁷ Ibid. "Department Responsibilities."

The Comprehensive Planning group is responsible for assisting public and elected officials in formulating the vision and goals for the long-range growth and development of the City. The vision and goals are set forth in Lynnwood's 20-year Comprehensive Plan and implemented by development regulations and guidelines. This division is responsible for the continued maintenance of the Comprehensive Plan, which includes the annual amendment process and periodic major reviews and updates.

Additionally, CDD transferred the Code Enforcement and Nuisance Abatement responsibilities (and two FTEs) to the Comprehensive Planning group. Their responsibilities include resolving code related problems between and among neighbors and handle issues concerning public health.

The Current Planning group processes land use applications, such as Plats, Short Plats, Rezones, Conditional Use Permits, Special Use Permits, Development Plan Approvals, Variances, Boundary Line Adjustments and other miscellaneous applications. This group is the primary contact point for providing the public with information on planning and permitting issues.

The Permits and Inspections group is responsible for building safety, coordination of building permit issuance and administration of the Uniform Codes. This group coordinates with Fire, Planning and Public Works to assure that requirements are met before issuing permits.

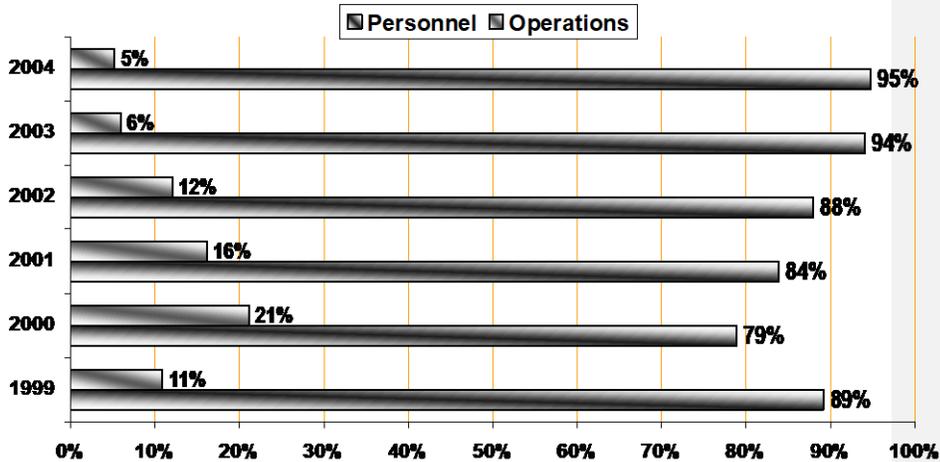
Budget

The City identifies two primary budget categories: Personnel and Operations. The table below provides the 1999-2004 CDD budgets:

	1999	2000	2001	2002	2003	2004
Personnel	\$1,319,115	\$1,330,340	\$1,535,488	\$1,590,113	\$1,506,325	\$1,567,370
Operations	\$160,176	\$356,406	\$295,729	\$217,929	\$95,175	\$85,954
Total	\$1,479,291	\$1,686,746	\$1,831,217	\$1,808,042	\$1,601,500	\$1,653,324

The following chart shows the percentages of budget allocated for personnel and operations.

CDD Operations and Personnel Budget %'s



Labor Charges: Permits and Inspections

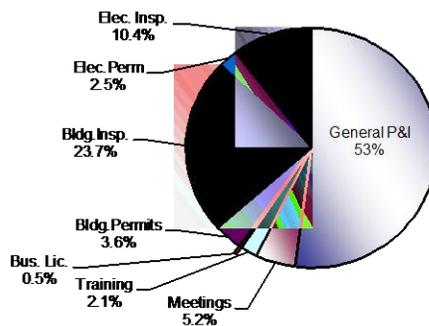
The pie chart at right illustrates the distribution of labor charges for the staff in the Permits and Inspections group as recorded in the CDD timekeeping system.

As is evident in the illustration, most time is charged to a general time code that is non specific.

Approximately 35 percent of staff time is charged to building and electrical inspections.

A very small portion of time is formally charged to training, business licenses, and plan review.

2003 Permits & Inspections



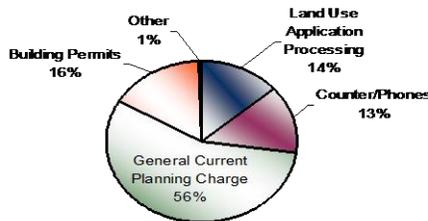
Labor Charges: Comprehensive Planning

This pie chart illustrates the distribution of labor charges for the staff in the Comprehensive Planning group as recorded in the CDD time keeping system.

As is evident in the illustration, most time is charged to the comp plan. Code enforcement and Nuisance Abatement comprise 32 percent of staff time.

A significant portion of time – 6 percent - is formally charged to counter time providing intake and services to customers. No formal tracking is provided for training, personnel development, or process improvement.

2003 - Current Planning



Labor Charges: Current Planning

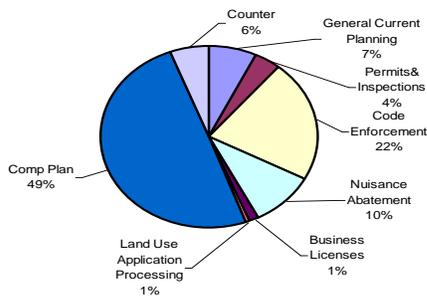
The pie chart to the right depicts labor charges recorded by the Current Planning group in the CDD time keeping system.

As is evident in the illustration, most time is charged to a general, non specific planning charge.

Application processing and Building permits review comprise 30 percent of time recording.

A significant portion of time – 13 percent -- is formally charged to counter time providing intake and services to customers. No formal tracking is provided for training, personnel development, or process improvement.

2003 Comp Planning



Personnel

This section contains information from review and analyses of CDD's personnel data, including performance evaluation status, job descriptions and payroll information.

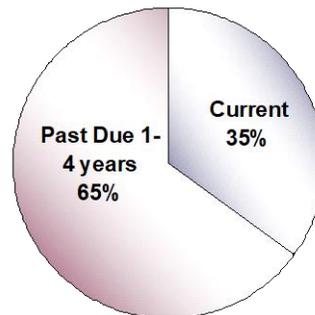
CDD has 21 full-time equivalent (FTE) positions budgeted. As of this writing CDD has 20 filled positions and one vacant (Assistant Planner - Comprehensive Planner) position. The 21 positions are comprised of 16 different position titles and 10 pay grades.

Performance Evaluations

City of Lynnwood policy expresses the importance, purpose and value of performance evaluations as training and development tools, 8 and is explicit about the essential nature of the manager and Director duties in providing such guidance.⁹

The following chart depicts the status of CDD performance evaluations and shows that fully 65 percent of CDD employees do not have current performance evaluations.

CDD Performance Evaluations



Community Development Department – Employee Survey

Demarche Consulting Group designed a CDD employee survey to assess employee perceptions about the performance of systems, structures, and cultural issues. The survey was designed to assess how employees

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- ⁸ City of Lynnwood Policy No. 510 – Employee Performance Reviews, section II. Policy (July 26, 2001): "Performance appraisals are intended as a training and communication tool and to document employee performance. Through performance appraisals, supervisors will regularly communicate to individual employees their performance expectations and department goals. Supervisors will assess the employees job-related performance and work to enhance overall job performance by providing direction and identifying training needs."
 - ⁹ "Prepare and conduct oral and written employee performance evaluations. Recognize superior job performance. Effect correction in undesirable trends in performance consistent with established City policy."

felt the CDD organization is currently performing, by specifically identifying:

- What process and organizational characteristics are important and valued by an organizations' workforce (and conversely what is not important or valued).
- How individuals perceive the processes are currently performing relative to the desired characteristics.
- How confident the workforce is that the organization will achieve the desired performance.

The survey elicited the respondent's opinions to 32 specific statements (see survey results next page) and asked them to provide a scoring rating to the following questions about each statement:

- How much like us now is the statement?
- How likely is it that this statement will describe the organization in one-year?
- How desirable (important) is this item to the organization?

The 1 to 5 numerical scale used allows for very clear contrasting of strong and weak opinions: 1 = No Way; 2 = Not at all; 3 = Somewhat; 4 = Very Much; 5 = Absolutely.

See survey results next page

Process Maps

This section includes the flowcharts (maps) that illustrate the following permitting processes:

- Business Licenses
- Right of Way Permits (Public Works)
- Site Development Permits (Public Works)
- Commercial Building Permits
- Electrical Permits
- Preliminary Plat Decision (Land Use)
- Conditional Use & Variance Decisions (Land Use)
- Rezone Decisions (Land Use)
- SEPA Decisions (Land Use)
- Comprehensive Plan Amendments
- Code Amendments