



HOUSTON PERMITTING CENTER
ANNUAL REPORT
2014

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PERMITTING CENTER



FROM THE DIRECTOR

Houston is a great city! It is filled with wonderful people and has tremendous character. Houstonians are resilient, compassionate and wildly creative. They build businesses, solve problems, lead and innovate. As a result, the economy is thriving and all indications point to its continued growth. The Houston Permitting Center's customers represent what makes this town great and a big reason for Houston's strong economy. We are privileged to serve them on a daily basis. I am equally privileged to introduce the *2014 Annual Report* on behalf of the HPC's Leadership Committee and staff.

Our mission is helping our customers achieve their goals while complying with the City's regulations. The staff's commitment to the mission is genuine and we continue to pursue more effective ways to deliver our services. While the annual report is a summary of events and performance over the past fiscal year, it reflects our dedication to continuous improvement. Everything we do is designed to advance our customer service philosophy and

better the customer experience. This dedication is yielding positive results. Streamlined business processes and innovative technology are yielding higher service levels. Consequently, customer satisfaction rose significantly in 2014.

We are pleased with our accomplishments but we will not rest on them. The accompanying *2014 - 2016 Business Growth and Strategy Plan* outlines our plans for future improvements. As always, realizing these plans will be made possible through the efforts of many contributors.

I would like to express my sincere thanks to the HPC staff, Leadership Committee, Advisory Board, vendor partners and to our customers for your continued support.

Mark McAvoy | Executive Director
Houston Permitting Center

ABOUT THE CENTER



The Houston Permitting Center (HPC) opened with a mission to help customers achieve their goals while complying with City regulations.

Providing excellent service, streamlining business processes, implementing innovative technologies, and proactively engaging our customers are all cornerstones of our mission.

There are about 40 business units from eight departments housed in the HPC. Combined they sell more than 600 different types of permits, licenses, and registrations. The business units are responsible for enforcing all building and fire codes, regulating the operation of certain businesses, permitting the usage of park and recreation spaces, noise and sound permits, burglar and fire alarm permits, and much more.

The HPC is governed by a Leadership Committee made up of representatives that oversee one or

more business units. The Committee is in charge of evaluating the operating performance, improving business processes, and developing the strategic direction of the HPC.

The Committee members are:

- Dana Hitzman, Houston Police Department
- David McCoy, Health & Human Services
- Jennifer Ostlind, Planning & Development
- J'Marcus Adams, Houston Police Department
- Kathryn Bruning, Administration & Regulatory Affairs
- Mark Loethen, Public Works & Engineering
- Mark McAvoy, Houston Permitting Center
- Ogilvie Gericke, Public Works & Engineering
- Richard Galvan, Houston Fire Department
- Sonya Ellis, Parks and Recreation
- Thomas Hosey, Public Works & Engineering
- Tim Lincoln, Public Works & Engineering.

2014 HIGHLIGHTS

236,651

Number of sales transactions processed by the cashiers.

90%

Percentage of transactions processed by the cashiers within their 2 minute goal.

25%

Percentage increase in point-of-sales revenue compared to last fiscal year.¹

\$123 million

Revenue collected through the point-of-sales system.

\$20 million

Revenue collected through the online iPermits portal.

58,213

Total number of building construction plans reviewed.

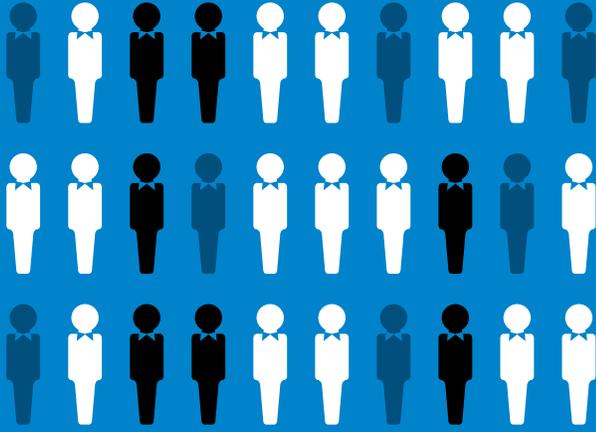
\$7.6 billion

Estimated construction valuation of all plans submitted for review.

562,024

Total number of inspections completed by Building Code Enforcement group.

¹The City's fiscal year runs from July 1 through June 30.



Total **317,481** tickets pulled

AVERAGE WAIT TIME

10 minutes

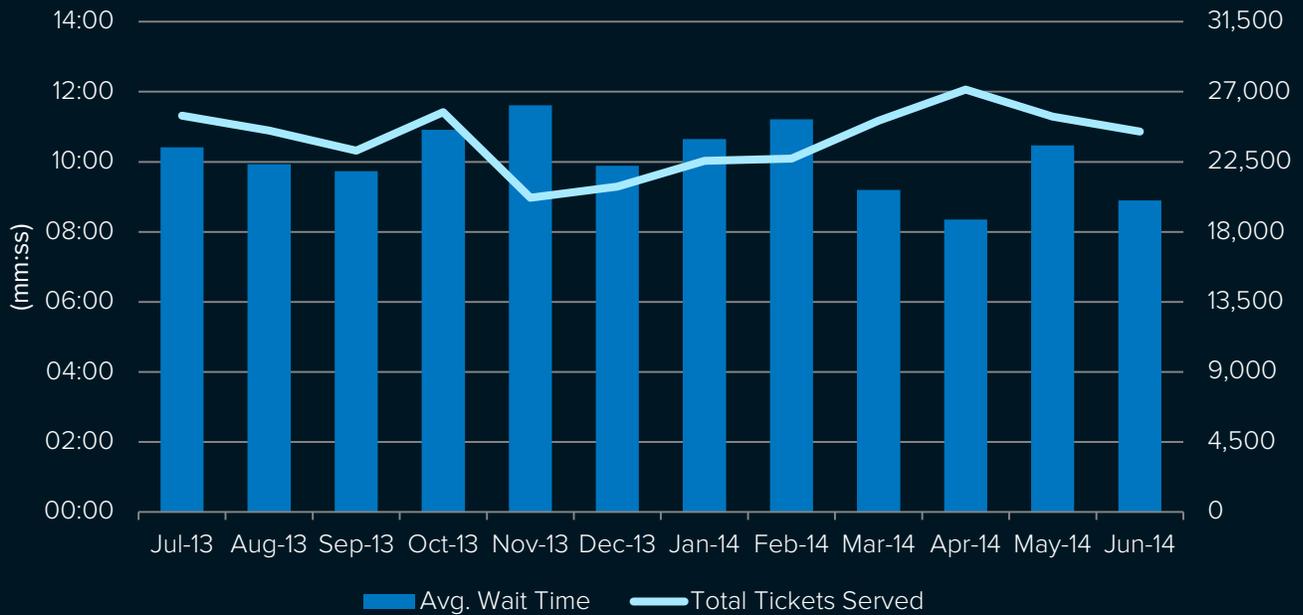
AVERAGE SERVICE TIME

11 minutes

ABANDONED TICKETS

9%

Wait Time and Total Served by Month



About 80% of all served tickets were for PWE services while 10% were for ARA services. HFD, HPD, and PDD services each accounted for 3% of served tickets.

The customer experience is about the interaction between an organization and a customer. It encompasses all contact points — rational and emotional.

Customers may forget what you say and do, but not how you made them feel.

A major effort was undertaken to ensure our employees have a basic knowledge and understanding of customer service skills and techniques. A training course was developed around the unique environment at the HPC. Over a four-month period *all* employees at the HPC (including senior level staff) were sent through the course.

After that time, the training was revised specifically for new hires to the building. An on-boarding component was incorporated to introduce the new employees to all the services offered in the building. The training is required to be completed within their first month.

Openness and transparency will improve the interaction between staff and customers.

Once in a lifetime projects like a home addition or garage conversion have complex permitting processes. It is important that homeowners are well-informed about these types of project requirements and expectations. Each residential

development guide outlines what needs to consider before starting a project, what special conditions should be kept in mind, the required documentation, the permitting steps.

Comfort and convenience while in the building are also key to the experience.

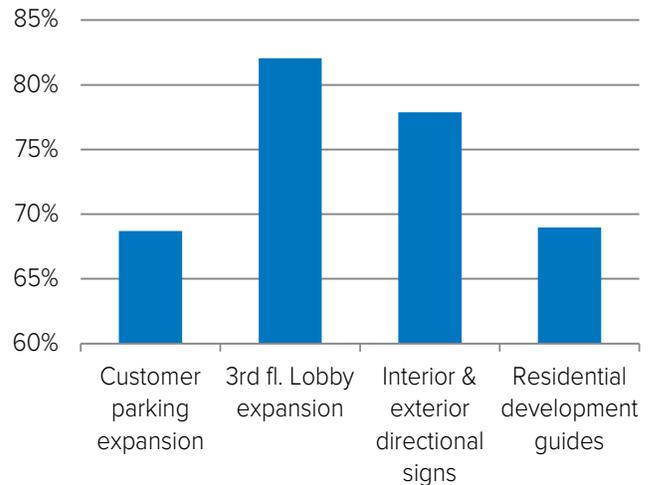
An external sign was added to the back side of the building to aid first-time customers in finding our location. Inside, the directional signs were redesigned with a larger, easier-to-read font. More signs were placed in the basement and main lobby. The HPC signed a lease for an additional parking lot. Additional security cameras and patrols of the lots ensure our customers' safety.

“[I’m] very pleased with overall service when pulling permits. You have come a long way from a few years ago. Thanks for what you do for us.”

— **Business owner** | Customer satisfaction survey respondent



In the spring, the HPC conducted a thorough survey of customers to measure their response to improvement projects, their satisfaction with services, and to identify areas of importance for future improvements.



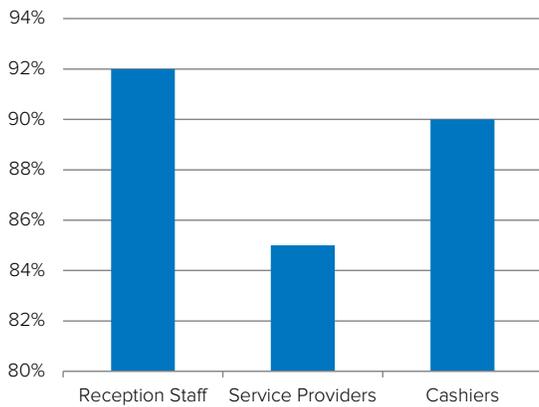
The majority of customers were satisfied with the physical improvements made to the building.

The 3rd floor is the busiest and most crowded. We were able to expand the seating area much to everyone's satisfaction.

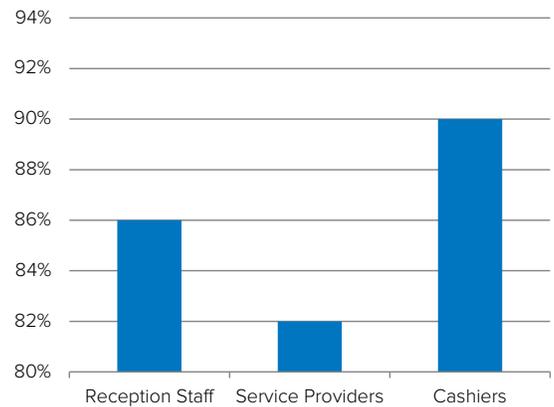
Customer satisfaction is on an upward trend.

For the first time online customers were included in the sampling for the survey, providing more diverse feedback. Paper surveys were distributed to walk-in customers and a random sample of online customers were emailed a survey link.

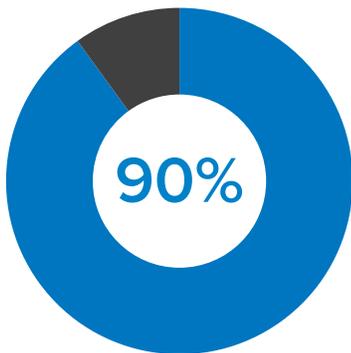
Overall customer satisfaction rose to 83% from 70% last fiscal year. First time visitors were the most satisfied, while daily visitors were the least satisfied with services. Overall 89% of customers rated our staff as polite and 86% rated our staff as able to provide consistent and accurate information. However ratings varied significantly by staff type.



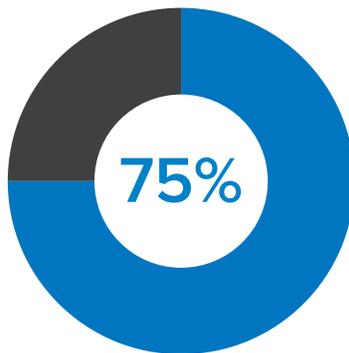
PROVIDE POLITE SERVICE



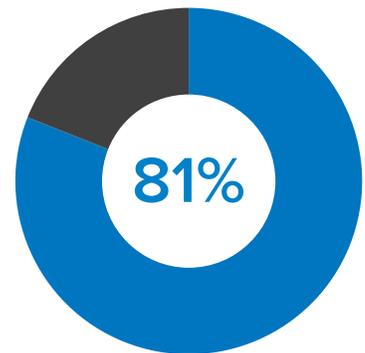
PROVIDE ACCURATE INFORMATION



1st Time Visitors



Daily Visitors



Yearly Visitors

Percentage of satisfied customers

Satisfaction equaled a rating of “Satisfied” or “Very Satisfied” on a 5-point likert scale.

Technology in business should empower people to do what they want to do — To be more creative, to be more productive, and to learn new things.

Two features were added to the queuing and routing system that enabled both staff and customers to better manage their day.

Appointment scheduling was piloted by three business units. HPD's Auto Dealers Detail changed their wrecker licensing service from walk-in based to appointments based. The switch removed the rush towards the end of the month to renew licenses, which was leading to excessive wait times. It also allowed staff to prepare for specific customers ahead of time, reducing service time.

PWE's Open Records section used the online appointment scheduling to automate a current process. Customers may go online at any time to view availability and reserve a time slot, which

reallocates the time spent on scheduling to time spent on processing requests.

PWE's Floodplain Management Office changed some of their services like plan reviews and variances from walk-in based to appointments based, providing more structured time management. When no appointments are scheduled, staff can provide extra support for walk-in services.

The SMS notification feature was piloted by the following services:

- Addresses (Building Code Enforcement)
- Express (Building Code Enforcement)
- Impact Fee Administration (Utility Analysis)
- Project Number (Building Code Enforcement)
- Site Plan Review (Planning & Development)
- Taps & Meters (Utility Analysis)

Customers may register at the kiosk for the SMS feature when a ticket is pulled for one of the above services. A text will be sent, for example, when the customer is 5th, 3rd, and next in line to be served. This feature gives customers more freedom while in the building, and peace of mind that their ticket numbers will not be skipped.

“My experiences are mainly online, and I greatly appreciate the ability to compose most of my business online.”

— Contractor/Tradesman | Customer satisfaction survey respondent

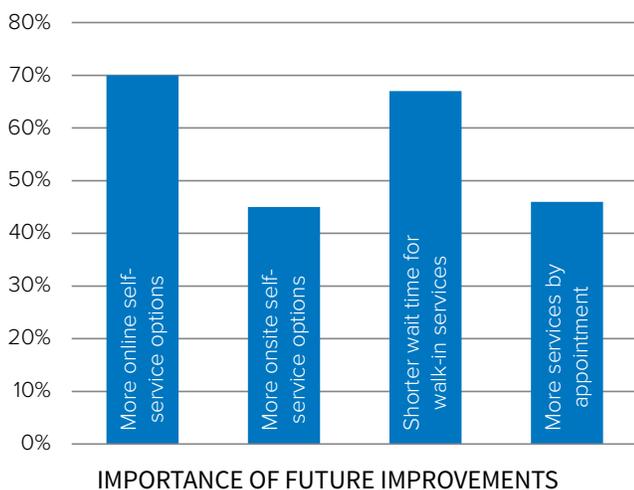
Why make a trip to the Permitting Center when you don't have to?

The iPermits online portal, which was originally intended for Building Code Enforcement, was opened up to two more groups.

Utility Analysis launched its wastewater capacity reservation (WCR) “Long Form” application online midway through the fiscal year. Through iPermits customers can attach documents, pay for fees, and receive feedback from service providers.

The Office of the City Engineer added its Plan Review application online, allowing customers to submit their project details and the number of pages in their plan set to calculate the review fee. They may pay the fee online or at the HPC prior to dropping of the plans.

For Utility Analysis and City Engineer customers, the online application reduces the time spent in the building, and minimizes trips to multiple floors. In the customer satisfaction survey, more online self-service options were identified as “very important” to 70% of survey respondents, along with shorter wait times for walk-in services. As has been the case, the former will help the latter.



Almost all quality improvement comes via simplification of design, manufacturing, layout, processes, and procedures. To be successful it must involve people.

The Office of the City Engineer underwent a kaizen event for its Thursday mylar walk-through process facilitated by the Finance Department's Performance Improvement division.

A kaizen is an intensive, 2-5 day effort to improve a specific set of processes through Lean Six Sigma (LSS) tools. From observations and interviews with OCE staff and customers, revisions were made to the check-in procedures making it easier to track customers. The review room was renovated to increase seating and enhance sight lines between the engineers and customers. In addition, visual

displays were added that keeps both customers and staff accountable of which discipline reviews need to be completed.

The Performance Improvement division offers various levels of certification in the LSS methodology for City staff. A number of HPC staff have completed LSS trainings and used it to good measure. ARA staff used LSS tools to figure out how to efficiently incorporate two new services into their service delivery procedures. The cashiers underwent an internal process change that resulted in faster processing of mail and sales transactions, and higher morale. As more HPC staff become acquainted with LSS, the techniques and tools will become the backbone of our efforts for continuous improvement.



The revision to Section 1-11 of the Code of Ordinances simplifies the permitting process and facilitates online permitting.

Under Section 1-11, a notarized affidavit acknowledging all deed restrictions and law compliance was required to be filed with all applications for a permit, certificate, or license. On September 11, 2013, City Council approved the revision to require an unsworn declaration instead.² This reduces administrative burden and paves the way for more online permitting.

The revision does not apply to building permits, certificates of occupancy, modular home placement permits, and manufactured home permits for which an affidavit is required under another section.



Further changes to the Code of Ordinances are being reviewed to eliminate barriers to online permitting and to reduce onerous steps in the permitting process.

² Section 132.001 of the Texas Civil Practice and Remedies Code, amended in the 82nd Legislative Session (2011), provides that unsworn declarations may now be used in lieu of an affidavit. The modification to the ordinance does not impact penalties or consequences to businesses or individuals for falsified or incorrect information provided. The unsworn declarations have the same enforcement mechanisms and penalties (Class A Misdemeanor) as the previous notarized affidavits.



On October 29th, the Houston Permitting Center celebrated its 2nd anniversary by holding a customer and employee appreciation day. Thank you to Mayor Annise Parker who opened the festivities, as well as to our distinguished guests who provided warm comments: PWE Director Daniel Krueger, ARA Assistant Director Kathryn Bruning, Assistant Police Chief Mark Curran, Assistant Fire Chief Tom Muñoz, and HHS Assistant Director Ron Sandberg.

T-shirts were made for employees to commemorate the special day and can be worn as part of their uniform. Mayor Parker was also presented with her very own.

Through the generous donations of HPC staff members, a Blue Bunny ice cream cart roamed the hallways, and popcorn and coffee were free flowing in the main lobby.

There were fitness classes, a CPR class, and other health-related booths where employees could receive their wellness credits.

Non-profit organizations like the Ronald McDonald House and Houston Food Bank had booths set up to encourage participation in the City's annual Combined Municipal Campaign, a drive by city employees to raise money for charitable organizations.

Thank you to all the volunteers who made the event run smoothly and effortlessly!

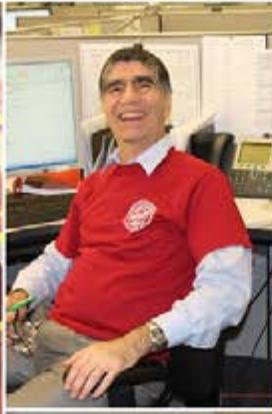


HPC 2nd Anniversary

Houston Permitting Center
Customer & Employee
Appreciation Day!

THANK YOU,
CUSTOMERS & EMPLOYEES!

Tuesday, October 29, 2013 1002 Washington Ave Houston, TX



2014 REMARKS

Customer satisfaction levels rose significantly.

Through concerted efforts focused upon the customer experience, overall customer satisfaction levels rose by 13% over last fiscal year to 83%. While we are pleased with our accomplishments, there is still plenty of room for improvement. Our customers do not come to see us because they want to, but because they are required to. This makes it all the more essential to deliver superior service.

Preparing the skills of our employees is essential for great service delivery.

As Houston's economy continues to boom, we can expect workloads to gain pace too. Preparing our employees with the necessary skills to complete their jobs effectively in this fast-paced environment is essential to keeping customer satisfaction levels up.

All employees went through customer service delivery training during the first half of the fiscal year. Furthermore, all new hires are now required to complete this course in their first month. Internal resources like Business unit profiles and Lunch & Learn series were developed to provide employees with basic knowledge about the 40 groups that are located in the HPC. Lean Six Sigma training will be the backbone in developing a workplace that embraces continuous improvements.

In roads were made to improve communication and transparency about the permitting process.

Once in a lifetime projects like a home addition or garage conversion have complex permitting processes. It is important that homeowners are well-informed about these types of project requirements and expectations in order to be savvy and sophisticated consumers of contractor services, and especially for the DIY-ers. Residential

development guides were published on the HPC website that lays out items to consider, required forms and documents, and which departments to visit. In addition, books with sample residential plans were made available to check-out from the Information Desk.

Customers want online self service options.

In the present day and age of instant gratification, smart phones and tablets, consumers expect to be able to purchase anything online. Outdated City ordinances have constrained our ability to provide electronic services due to requirements such as notarized paperwork or wet signatures.

The revision to Section 1-11 is the first step in being able to provide more online self-service options. We were able to expand the use of the iPermits portal to two more groups, and customers have responded in kind. Online sales more than doubled this past fiscal year.

For an in-depth look into future projects and plans, review the complementary 2014-2016 Business Growth and Strategy Plan.

The plan lays out our business goals and projects in the categories of technology, human capital, and building improvements.

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