



ADMINISTRATIVE REPORT

Report Date: February 27, 2013
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RTS No.: 9996
VanRIMS No.: 08-2000-20
Meeting Date: March 13, 2013

TO: Standing Committee on Planning, Transportation and Environment

FROM: The General Manager of Community Services, the General Manager of Planning and Development, and the Director of Finance

SUBJECT: Permit and Licence Process Transformation Program

RECOMMENDATION

- A. THAT Council approve a total budget for the Permit and Licence Transformation Program of up to \$25.97 million, as detailed in Appendix A. The source of funds for this Program is to be \$15.33 million in previously approved funding for this project, and \$10.64 million incremental funding loaned from the Capital Financing Fund to be repaid from operating budget savings resulting from these transformations on terms acceptable to the Director of Finance.
- B. THAT Council approves the new Permits and Licencing business operating model (section 1), developed as a key initiative to achieving the long term strategic goal "The City provides excellent service" in the City's 2012 - 2021 Corporate Business Plan.

REPORT SUMMARY

The purpose of this report is to:

- o provide Council with a status update of the Permit and Licence Transformation Program;
- o request Council's approval of the Permit and Licence Transformation Program Budget; and

COUNCIL AUTHORITY/PREVIOUS DECISIONS

The Permit and Licence Transformation Program (P&L Program) was initiated in 2010 through the Vancouver Services Review (VSR).

The VSR was established in response to Council's 2009 direction to the City Manager to review the City's businesses, service delivery practices and general operations in order to ensure the best value and services for our taxpayers.

To date, before the completion of the RFP process and detailed planning and budgeting phases, Council has approved \$15.33 million toward the Permit and Licence Transformation Program. This was covered in the following Council reports: RTS 8697 (2010 Capital Budget), RTS 8990 (2011 Capital Budget), RTS 9454 (2012 Capital Budget) & RTS 9783 (2013 Budget).

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

Permit and licence services are a core function of the City, providing essential regulatory oversight that contributes to a safe, liveable city. Permit services include those that fuel economic development in the construction and business sectors, such as development, building and trades permits, engineering permits, as well as others that affect a broad range of citizens, such as business and dog licences, residential parking and security alarm permits.

Delivery of permit and licence services to our citizens is one of the City's largest activities. Annually, an estimated 200,000 permits and licences are issued, and 90,000 inspections & 7,000 enforcements are conducted. This results in associated annual revenues to the City of over \$50 million (average of the last three years).

How we deliver permit and licence services is important to our customers and to our citizens. Customers seek a timely, consistent and reliable service that is easy to access and that minimizes delays and expense to their business operations. Citizens expect the City to run efficiently and sustainably and for services to be convenient to them. The P&L Program is all about providing excellent customer service in a fiscally responsible and environmentally sustainable manner.

From the time of the initial project concept, which was originally limited to the replacement of a legacy IT system (PRISM replacement), our investigation and planning has allowed us to evolve the project scope and opportunity to a strategic transformation initiative which cuts across the whole city. Opportunities include: simplifying the permit process for building a house (clearer process for getting permits), reducing the number of service desks and the requirement to go to service desks across all city departments; and maximizing our web and 311 services to augment online and in person service.

Over the next 2.5 years, the City is poised to deliver a major transformation in the way it delivers permit and licence services, using a modern technology platform and employing best operating practices that will establish the City of Vancouver as a leader in government service delivery. The P&L Program is one of the largest operational and technical transformations the City has ever undertaken. Its impact will be felt each year by over 200,000 customers and 800 staff across seven departments, and it will fundamentally change how we transact with our customers in today's digital age.

The P&L Program is a pillar of the City's Digital Strategy and takes full advantage of service transformations already made at the City through the introduction of 311 and a major overhaul of the City's website.

Through this transformative initiative, the City will enable online access for the easiest to most complex permit and licence transactions; allow for a consolidation of 11 public service counters into one; eliminate redundant, paper based and inefficient back-of-house processes that increases operating costs; improve consistency and collaboration by connecting staff across departments through one system for permit reviews, inspections and enforcement activities; and allow for strategic data analysis to inform decision making.

REPORT

Background/Context

The Permits and Licences Transformation Program (P&L Program) was initiated in 2010 through the Vancouver Services Review (VSR) to address the need for a Citywide, modern approach to permit and licence service delivery in a digital age, acknowledging that our current service delivery model has not kept pace with changing customer needs or industry-standard technology.

The P&L Program is identified in the City's Corporate Business Plan to establish the framework for a corporate customer service strategy. The program is strongly linked with the City's digital strategy (to be brought forward for Council discussion and approval within the next few weeks), the evolving role of 311, the City website redevelopment project, the Vancouver Economic Commission and the workforce mobility strategy, all of which acknowledge the importance of providing Vancouver citizens with "virtual" ways to get information and to transact with the City. The program also supports the City's green operations strategy, through a significant reduction in paper usage and customer auto trips to City Hall.

The specific program scope is to bring permit, licencing and inspection service delivery in line with best practices across leading municipalities in North America and to replace an aging and at-risk technology infrastructure (PRISM and others) with a modern platform that offers online functions capable of handling the simplest to the most complex transactions.

This will be met through:

- Streamlining the nearly 40 permit tracking systems used across Licenses & Inspections in Community Services, Planning and Development Services, Engineering, Vancouver Police Department (False Alarm Reduction Program) and Vancouver Fire & Rescue Services, on one single platform that can potentially be used City-wide for permit and licensing needs. This will not only bring the City's development and building approval processes in line with industry standards and best practices as an integrated service delivery model, but will also set us up to be leaders in service delivery. The online self-service capability will allow customers to apply, pay for and print permits online, book inspections, and track the status of their applications from their home or office. This will result in greater convenience and less frequent trips to City Hall.
- A single point of contact and one stop shop service model that will result in improved coordination of permit delivery across the many city departments and a single location

for permit processing, making it quicker and easier for customers needing multiple permits.

- The introduction of electronic development plans - which will reduce plan review times, as well as paper usage & storage, and will greatly benefit customers who already operate with electronic plan tools but now require paper to interact with the City.
- Deploying field/mobile inspection capability and its integration with Geographical Information Systems (GIS), which will enable inspectors to plan their inspection routes more efficiently (less fuel consumption and more inspections in a given time), be able to view electronic plans and immediately and directly enter inspection data in the field, standardize reporting, while mobile printers will result in ability to produce immediate reports and issue permits in the field.
- Full implementation of the inspection services transformation model - which will support an emphasis on high-risk safety inspections, sharing the responsibility with professionals, improving coordination of inspections, and documentation. With an annual demand of approximately 90,000 permit-related trade inspections, risk-based inspection models will be evaluated that will enable better management of service requests. Once implemented, the model will afford greater transparency to both inspectors and customers on the City's inspections processes, as well as greater consistency between inspections.
- Undertaking and implementing the results of the sign by-law review project - which will aim to consolidate current City by-laws and regulations as well as to support citizen and business engagement and access, promote the expanded use of new technology and transition towards a consistent approach to sign regulation. The new by-law will move to incorporating aspects of outcome based regulation and also support the City of Vancouver's emerging Customer Service Strategy.

To date, the P&L Program team has:

- Completed a thorough review of current challenges, by incorporating extensive feedback from customers, many staff and related associations. (Appendix B - Current Challenges).
- Conducted North America wide assessments of service delivery models at other public sector, municipal and private sector organizations, as well as completed extensive research of best practices including that of the Institute for Citizen-Centred Services. (Appendix C - Summary of Best Practices).
- Analyzed the characteristics of each of the 45 permit types the City issues and understands how each permit type can be delivered more effectively and efficiently to the particular customer base. (Appendix D - Permit and Licence Characteristics).
- Developed a new operating model that responds to current challenges and best practices, that offers customers access to the City in ways that meet their needs, whether online or in person, and that is delivered in a fiscally responsible way;
- Undertaken early implementation of the new model in a variety of areas amenable to early action;
- Completed a robust search for a technology platform to support the new operating model. Should Council approve the program budget, a separate report (RTS 9981) to Council will be brought forth with a recommendation to award a contract.

Strategic Analysis

The transformation of Permit and Licence services involves a significant change to the permit issuance operating model to better align with customer expectations, including changes to:

- how and where our customers access City services,
- how our customers navigate through complex processes, and
- how the City allocates its staff resources.

One of the key components to enable the transformation is the installation of a single modern, reliable technology platform to replace nearly 40 separate systems; a platform that includes online interactive capabilities and field mobility for inspectors. A key driver for the Program is the increasingly urgent need to replace the at-risk PRISM mainframe system, which currently manages a large volume of the more complex permit activity. PRISM is a 15 year old obsolete legacy information system which has very limited support and capacity available all of which will terminate by December 2014.

Permits are just one primary output of the PRISM system. PRISM also:

- a) is the authoritative source of civic addresses for the City, and approximately eighteen (18) other systems rely on it for their addressing information;
- b) manages all the intake and client processing, plan checking, inspection and enforcement related activities;
- c) is the main coordinator of work activities between staff groups and
- d) records and extracts the data that enables the newly launched Rental Property Standards application to display it's information.

If PRISM were to fail irrecoverably, the work processes of Community Services, Planning and Development Services, Engineering Services and Fire and Rescue Services would be seriously impacted. An emergency business continuity plan has been developed to deal with short-term issuance of permits, but this is not a long term solution to managing the inter-staff workflow and coordination.

Investments in change management and transformation of the way we do business has already started, with a number of operational improvements already in place and the benefits of these improvements beginning to be realized (see section 1 below, sub-section - *Implementation underway and already yielding benefits*). The next step is to secure a software provider for the new IT platform. A Request-for-Proposal process to secure the technology infrastructure and support services has been completed, and staff will soon bring a recommendation to Council to award a contract.

Scale of program compared to other North American cities and past City Initiatives

In order to provide council with a context for the scale and cost of this transformation initiative, we have compared the City's P&L Program with implementations from other cities as well as our own past initiatives from the perspectives of both time and cost.

Our review indicates that the City will be delivering a program of the largest scale impact on customers, staff, and systems, over the shortest period of time, in a highly integrated approach across departments.

We have learned from other City initiatives such as the SAP installation (5 year timeframe over \$24m cost in the late 1990s) and the Hansen implementation (over 4 year timeline and \$14m cost 2007-2011) that by understaffing the business transformation it delays full deployment and achievement of benefits. Engineering continues to work towards achieving the benefits of full life cycle asset management with Hansen.

P&L will impact 800 users, be replacing approximately 40 information systems, deliver cross-departmental business capability and is comparable in size with the City's SAP and Chicago's Hansen implementation which cost in the range of \$20-24M to implement.

This Program will bring the City in line with other cities who have modernized and integrated their permitting systems, introduced online self-service, citizen centred service and/or have introduced mobile inspection and electronic plan capability - Chicago, IL; eLicence (BC government); Atlanta, GA; Miami Beach, FL; Salt Lake City, UT; San Bernardino, CA; Boston, MA; City of Honolulu; Washington DC to name but a few.

1) New Business Operating Model

A new Business Operating Model is at the centre of the P&L Program, and is strongly enabled by a new technology platform. The operating model is premised on our goal to enhance customer service and increase operational efficiency through three primary channels - 1) offering as much online service as possible, 2) utilizing our 311 call centre to its fullest, and 3) continuing to offer in-person, single-point-of contact assistance for more complex project types or customers who need greater assistance. Key components and associated benefits include:

Online self-service, electronic plan and field mobility capability

The future of online services at the City offers significant benefits to our customers in time savings, ease of access, and process clarity. Those seeking to do a simple transaction (80% of our customers), such as renew a dog licence, secure a residential parking permit, or obtain a routine electrical or gas permit, will be able to complete the permit process remotely, in one sitting with no wait: apply, answer a few questions, pay, print permit. The current redundant, manual, paper-based work back of house will be eliminated.

In more complex permit processes, staff reviews are made significantly easier, more coherent, timely and more accurate by being interconnected with other departments through automated workflow, the appointment of a designated "single point of contact" who will manage all of the sub-components of a project simultaneously, thus reducing the need for manual calculations and duplicate reviews, and relaying information to applicants quickly and clearly.

The addition of electronic plan review tools will enable faster, more accurate, "green" submissions to the City, fewer trips to City Hall and fewer paper-based plans. In addition applicants can track progress online.

Inspection services performed by the City will take advantage of field mobility devices (i.e. laptops, smartphones) that connect Inspectors "real time" to permit data. With the ability to enter data immediately in the field comes increased accuracy of data. Actual metrics experienced by such cities as Edmonton, Dallas and Broward County (Florida), indicate daily

inspection time in the field increased by up to 40%, while average quality of inspection data increased from a rate of 50% error-free to 92% error free. All these add up to faster inspection outcomes, fewer disputes, and more satisfied customers and more efficient use of the City's staff resources.

Consolidated Service Counters

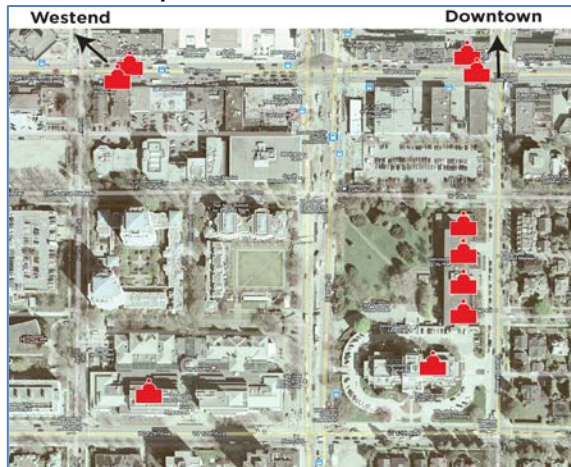
Currently, there are 11 City services desks that perform permit and licences services to the walk-in public. Under the new operating model, over time, these can be consolidated to a single in-person counter, especially as online services increase and fewer customers choose the in-person channel.

Benefits to a consolidated service counter include:

For the Customer - clarity on where to obtain services; ability to obtain multiple services at the same place; consistency in service for similar transactions;

For City Operations - reduction in leased office space; avoiding duplicate administrative services; consistency in service delivery for similar transactions; cross-training staff.

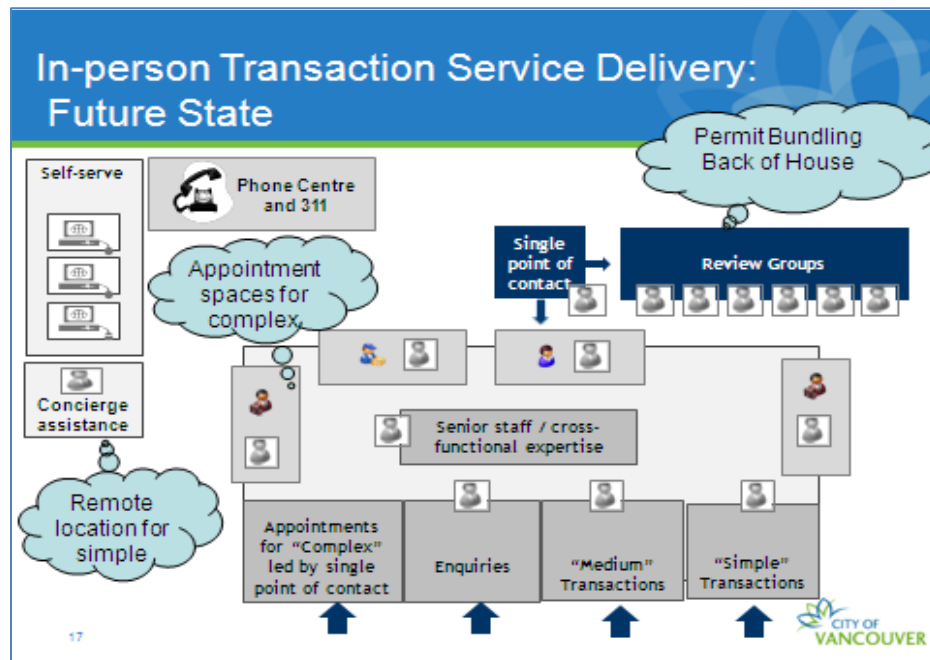
Current In-person Service Desks



Future Consolidated Service Channels



Future Consolidated Service Desk Model



Consolidated Systems, Data and Performance Metrics

The program will be consolidating the capability of nearly 40 different permit issuance systems into one platform, and will be further enhanced through integration with numerous existing business systems such as Amanda, Tempest, 311's Lagan and GIS (VanMap).

Consolidation of permit issuance and tracking into a single system and source of information will eliminate data re-entry, reduce system maintenance, increase data integrity and thereby make the data gathering effort and generation of performance metrics easier, faster and more reliable.

2. Business Model: benefits early implementation

Several initiatives have already been launched, and the preliminary feedback indicates strong support for implementing the new operating model to its fullest. These initiatives include:

Online Services:

In 2012, the program launched the first phase of its online application services, starting with the 4 highest volume permits and licences (dog, business, security alarm, and residential parking). Together, these comprise 70% of all permit and licence transactions at the City and account for nearly half the approximate \$50 million annual permit and licence revenue collected. By June 2013, all four permit and licence types will be fully available online, putting the City in a leadership position in the lower mainland. Early data shows that the customer uptake is strong: 60% of applicants for new and renewed dog licences used the online system in the first six months. Operationally, the City has been able to adjust staffing levels during seasonal peaks.

An existing software program (AMANDA) is being used for this program, as it is a modern product and currently deemed adequate to handle these simple transactions, and it will integrate where necessary with the new P&L platform.

Single Family Dwelling Improvements:

In 2012, through a series of operational changes only, with no technology improvements, significant gains have been made in the speed and efficiency of processing single family dwellings, secondary suites and laneway houses.

An overall reduction in processing times for Single Family Dwelling (outright) applications from 15-18 weeks (2011) to 6 weeks (2012-current) has been achieved, along with reduced wait times for pre-application appointments from 6 weeks to less than 2 weeks. Within one quarter, the City saved approximately 100 hours of (staff) time, and customers had at least 2 fewer trips each to City hall through combining and reducing certain review stages. During the process analysis described above, staff integrated the application of an updated industry model (referred to as Marshall Swift, 2012) for calculating building permit fees, which provides a more transparent way of estimating the value of construction. This has led to increased revenue to the city due to a more accurate estimate of current market conditions for construction.

Adding the new technologies to these processes will bring additional benefits in customer convenience, operational efficiencies and sustainability.

Business Licence Rationalization:

Licences and Inspections has completed a business rationalization exercise, and determined the City can combine and reduce the number of business licence categories from 636 to less than 100. This reduction will eliminate the need for multiple licences for some businesses and better align our licence categories with other lower mainland municipalities. This exercise will further support the City's move to online applications and improve the licence data for economic analysis and is supported by the Vancouver Economic Commission. The new reduced categories will be applied to the current AMANDA licensing system by Dec 2013.

In addition the inter-municipal business licence (IML) pilot project will be implemented by summer, 2013. The exact timing is dependent on our discussions with participating municipalities.

Implications/Related Issues/Risk (if applicable)***Financial***

Total program costs are budgeted at \$25.97 million, as summarized in Table 1, and detailed in Appendix A. This total includes technology infrastructure; software licences; business transformation; change management, training and other staff costs; consultancy costs; internal and external implementation support for the technology and the new operating model; and contingency funding

As is evident staffing costs comprises just under 50% of the total project budget; -within that 65% (~\$8) is related to implementing the technology and the remainder (\$4.4) is supporting business operation transformations such as consolidated service desk, strengthening single point of contact protocols, and simplifying processes.

Table 1: P & L Project Budget Summary (\$000s)

	Costs to date	2013	2014	2015	TOTAL	% of total
IT Vendor Costs	222	2,926	1,591	744	5,483	21%
Hardware & Software	244	904	132	-	1,280	5%
Staff Costs	2,000	3,245	4,553	2,625	12,423	48%
Consultant Services	458	832	321	89	1,700	7%
Other Costs	-	364	351	37	753	3%
Sub-Total Project	2,924	8,271	6,949	3,495	21,640	83%
Contingency	-	1,208	2,402	718	4,328	17%
Grand Total	\$ 2,924	\$ 9,479	\$ 9,352	\$ 4,213	\$ 25,968	100%

To date, Council has approved a full project budget of \$15.33 million toward the Permits and Licences Transformation Program:

Council Report Reference	Capital Plan	\$ Approved
RTS 8697	2010 Capital Budget	\$120K
RTS 8990	2011 Capital Budget	\$5.81M
RTS 9454	2012 Capital Budget	\$1.24M
RTS 9783	2013 Capital Budget	\$8.16M
TOTAL		\$15.33M

It was anticipated that after completion of the business case validation, RFP process and vendor selection, the remainder of funding for the program would be sought in the next Capital Plan, 2015-2017. However, 3 critical factors are driving expediting the project:

- Significant progress has been made in the organization on business transformation with strong uptake across staff groups and participating departments - the lack of a modern and integrated supporting information system is now a significant gap which could slow down progress and commitment;
- The lifespan of PRISM is now clearly limited and staff are working toward the December 2014 deadline at which point PRISM's capacity will be reached leaving us at high risk of failure
- Staff have undertaken the extensive work of procuring a vendor and laying out a detailed implementation plan and we are ready to make the selection and move ahead - it has been determined that this plan will achieve sufficient savings that over 10-12 years it will provide an ROI which will pay for itself.

In summary, the final scope of this project brings with it significant changes in our operations, and will generate future operational savings justifying funding through a loan from the Capital Financing Fund (CFF). It is recommended that the loan be repaid over a 10 to 12 year period from operating budget cost savings achieved as a result of this transformation, on terms acceptable to the Director of Finance.

Benefits

Technical & Business

Overall the benefits of a new technology platform include:

- Introducing basic functionalities that are required in today's environment, including the ability for customers to apply, pay for and print permits online, and track project status remotely,
- Connecting all of the departments who are involved in permit service delivery to the same information,

- Integrating other transactional systems with this new permitting system i.e. fee payment,
- Allowing management and staff to benefit from a single, true source of data and from improved capture of metrics for analysis,
- Enabling electronic review of plans and materials, contributing to our “Greenest City” goals; and
- Providing City inspectors with “real time” access to permit data while out in the field through use of mobile devices.

In addition to the required replacement and risk mitigation of the mainframe, two additional project benefit dimensions - economic and customer service - are the most relevant for evaluating whether the City should proceed with this transformation project. While there are defined environmental benefits to proceeding with this transformation, staff believes that these are relatively minor in comparison to the other two economic and customer service benefits.

Financial

The benefits of proceeding with this transformation project are significant to the city and the citizens and businesses that do business with us. Financial benefits have been quantified by calculating a Return on Investment (ROI) and payback period analysis. A detailed budget and financial model has been developed by City staff in conjunction with external consultants. The model determined projected cash flows, which anticipated the necessary investments, revenues and costs.

Some project costs (\$2.924m) have been incurred to date, but upon approval of this report, and successfully securing a software provider, the bulk of the \$25.6 million expenditure will occur from mid-2013 through mid-2015, with ongoing sustainment team requirements post implementation.

The analysis has determined that the economic benefits of proceeding with this transformation include increased revenue, reduced mailing and paper storage costs, reduced IT mainframe costs, and reduced staff costs.

Through the analysis, it has been determined that while some economic benefits are derived immediately, and throughout the implementation period, in most cases the benefits ramp up post implementation, with full benefits of approximately \$3.5 million per year being realized from 2018 onwards. These benefits are offset to some extent by anticipated sustainment team costs of approximately \$1.7 million per year, starting in 2015. The sustainment team is largely comprised of IT staff but also includes staff to provide continuous improvement for our customers.

It has been determined that the payback period for the final, \$10.6M of funding that is being requested, is 10-12 years, post implementation.

Human Resources/Labour Relations

The introduction of the new operating model, updated technology, improved tools and re-engineered processes will have a number of impacts on staff involved in permits, licences, and inspections activities across a number of business units:

- **Role changes:** Updated technology, improved tools, re-engineered processes, and the move to a consolidated service centre over the next two years will change the complement of roles and activities within Planning & Development, Licenses & Inspections in Community Services, VPD's False Alarm Reduction Program, VFR and areas within Engineering.
- **Career opportunities:** Opportunities for staff will include:
 - single point of contact responsibilities for coordinating customer projects,
 - additional IT roles, including RFT sustainment roles, and
 - broadening customer-facing staff's knowledge and work variety to include multiple permit, licence, and inspections types.
- **Improved tools and updated technology:** The project will introduce improved tools, commonly used by counterparts in the private sector - electronic plans, workflow programs, etc. Updated technology will enable staff to focus on their areas of expertise, and reduce time spent on redundant administrative or paper-based tasks.
 - As an example, when Inspectors are equipped with mobile capability, they will be able to spend more time in the field providing inspections and enforcement activities, and less time in the office filling out paperwork.
- **Training and development:** As a result of role changes, the need for interdepartmental collaboration and the introduction of improved tools, staff will have opportunities to enhance their professional skills by participating in training directly related to the new service model.
 - Mobile technology will require specialized training that will need to be responsive to the technology capabilities of existing staff;
 - System training will be required for all staff involved in permit and licensing service; and
 - Customer service training will be necessary for staff that have a customer facing role.

Staff Impacts:

Although we anticipate a reduction in staff (in the range of 25-30 FTE) over a period of five to seven years, this will be offset by the proposed addition of 13-15 FTE sustainment roles. We do not anticipate any staff layoffs; rather, as the new service model matures, and efficiencies are realized, we are confident we can manage reduced FTEs through attrition.

Projected retirements for 2013 - 2017 across the key city departments involved (Community Services, Planning and Development and Engineering) in roles directly related to the P&L Project will be used to manage FTE reductions. Business units impacted by the P&L project are already managing ongoing staff attrition in anticipation of the P&L project, for example, by not filling roles as they became vacant, or filling them in a temporary capacity.

As with other City initiatives, staff transitions will be managed thoughtfully by the business unit, HR and the Vacancy Management Committee in conjunction with the employee and the union. Our labour unions have been involved for the full duration of the project and will continue to be kept apprised of project progress and staff transitions as they become known.

Transition Strategy & Guiding Principles:

The P&L project and associated technology platform will be implemented using an agile project management approach as detailed in section 1.10 in this report.

Using the Agile approach, iterative roll-outs of technology, and business process changes will occur and personnel implications will be assessed and implemented as appropriate. It is our desire and intent to adhere to a transition strategy and principles that have been used previously at the City.

The Transition Strategy will:

- coordinate job impact cross-organizationally;
- ensure that job impact is being managed in an effective and efficient manner; and
- ensure tools and support are provided to managers and leaders dealing with transition related issues.

Our guiding principles will be:

- treat employees fairly, including open and timely communication and transition support for staff and managers;
- communicate openly and in a timely manner with our unions; and
- manage staff reductions through attrition, wherever possible. In the unlikely event that staff reductions cannot be managed through attrition, the staff adjustment plan under CUPE 15 will be available.

Implementation Plan

Below is the proposed high-level implementation timeline, with dates subject to finalization of contract negotiations and detailed planning:

Milestones	2013	2014	2015	2016
Contract Sign-off, detailed planning, Kick-off	April			
Set up and Installation	May			
1 st release	Sept			
2 nd release		Jan		
3 rd release		Sept		
4 th release			April	
5 th release			Nov	
Implementation Contract close-out			Nov	
Decommissioning of legacy systems - complete			Dec	
Sustainment phase begins			Dec	
Program Close-out			Dec	
Stabilization complete				June

An important dependency and concurrent issue associated with this program and the release sequence is the need to coordinate the timing and planning of any future office accommodation changes to enable consolidation of service desks for the public.

Key program success criteria and risk factors:

To ensure the program is set up for success, workshops were held with staff and customers to gather and collate success criteria and risks factors. These have been summarized in Appendix E and F respectively.

Communications Plan *

The transformation of P&L services is being supported internally with a comprehensive employee communications program, and will be supported externally through public awareness programs designed to increase the community's use of the new online services i.e. application for business licenses, security alarm permits, residential parking permits, dog licenses, and eventually trade permits and construction-related permit applications.

Research has shown that permits and licences online services need to be clearly 'branded' and well-positioned on a website; also the information supporting permit applications and submissions needs to be very transparent, streamlined, and easy to find.

The project aims to engage external customers in testing the new online capability and information, and conduct outreach and education to ensure that key client groups are ready to take advantage of our new services.

CONCLUSION

Delivery of permit and licence services is a critical and core function of the City, impacting hundreds of thousands of customers annually, and contributing to a safe and liveable environment for all our citizens. When complete, this project will address the mainframe system risk and will also position the City to deliver permit and licence services in a way that is responsive to customer needs in a digital age, that respects the need to use City resources effectively and efficiently, that enhances the City's "Greenest City" goals, and that establishes the City as leaders in government service delivery.

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P & L Project Budget Details (\$000s)

	Costs to date	2013	2014	2015	TOTAL	% of total
Software	11	732	-	40	782	3%
Professional Services	211	2,110	1,440	630	4,392	17%
Travel	-	83	151	75	309	1%
IT Vendor Costs	222	2,926	1,591	744	5,483	21%
Hardware	202	712	127	-	1,041	4%
Software	42	192	5	-	239	1%
Hardware & Software	244	904	132	-	1,280	5%
Staff costs	2,000	3,091	4,511	2,623	12,225	47%
Training & Travel	-	154	43	2	199	1%
Staff Costs	2,000	3,245	4,553	2,625	12,423	48%
Consultant Services	458	832	321	89	1,700	7%
Communications & Marketing	-	140	150	10	300	1%
Miscellaneous	-	224	201	27	453	2%
Other Costs	-	364	351	37	753	3%
Sub-Total Project	2,924	8,271	6,949	3,495	21,640	83%
Contingency	-	1,208	2,402	718	4,328	17%
Grand Total	\$ 2,924	\$ 9,479	\$ 9,352	\$ 4,213	\$ 25,968	100%

Current Challenges

Several key challenges have been identified in the way the City currently delivers permit and licence services. They include:

- Minimal online offerings, which force customers with even the simplest of permit and licence needs to come to City Hall in person. Back of house, staff and field inspectors are engaged in considerable manual effort and duplicate data entry due to lack of modern, integrated systems;
- Lack of a “one stop shop” or “single point of contact”. Customers for more complex programs must navigate the multiple permits and inspection processes administered by multiple departments;
- Multiple service counters - 11 in total - that conduct permit and licence services, which is confusing and frustrating for customers, and inefficient and expensive for City operations;
- Highly paper-based process, especially for more complex programs where customers might require up to 15 duplicate sets of plans and information to be submitted, multiple times during the process. Many customers have long ago moved to digital output in their own offices, and produce paper versions only for the City;
- Increasingly complex rules and regulations for customers to comply with and staff to administer;
- Lack of integration between the nearly 40 different systems that are used for permit and licence tracking, leading to inefficiencies, duplicate data entry, and reduced consistency during permit reviews;
- Obsolete technology. PRISM, the current IT platform that manages approximately 33,000 of the City’s more complex permits and 100,000 inspections per year, is at significant risk of hardware or software failure, which would have extremely negative and prolonged consequences for development activity in the City.

Summary of Best Practices

- Service delivery should be “citizen-centred - conceived and executed from the outside-in rather than inside-out, with the needs, perspectives and satisfaction of citizens foremost in mind.
- Access to services should be easy: online wherever possible; opportunities for customer self-help through good information on the website and the ability to track programs; in-person services offered at a central location; extra help available for customers who need it whether due to language barriers, unfamiliarity with the process, or engaged in more complex programs.
- Staff should be well-trained, knowledgeable and fair. Senior staff should be strategically placed to provide early input to ensure applications are put in the right process stream, that project issues are identified early, and that project advice is consistent.
- Processes should be streamlined to avoid duplication, reduce manual effort and improve processing times for customers.
- The full potential of technology should be utilized. Citizen-centric service delivery is not possible if the underlying information technology and data infrastructure remains fragmented and non-standardized, if there is little opportunity for data and information sharing, or to utilize metrics to inform decisions.

Municipalities and other public sector organizations contacted:

Canada:

Calgary, AB
Edmonton, AB
eLicence (BC government)
London, ON

USA:

Atlanta, GA
Bend, OR
Boston, MA
Broward County, FL
Chicago, IL
City and County of Honolulu, HI
Dallas, TX
Mecklenburg County, NC
Miami Beach, FL
Philadelphia, PA
Salt Lake City, UT
San Bernardino, CA
State of California
Washington, D.C.

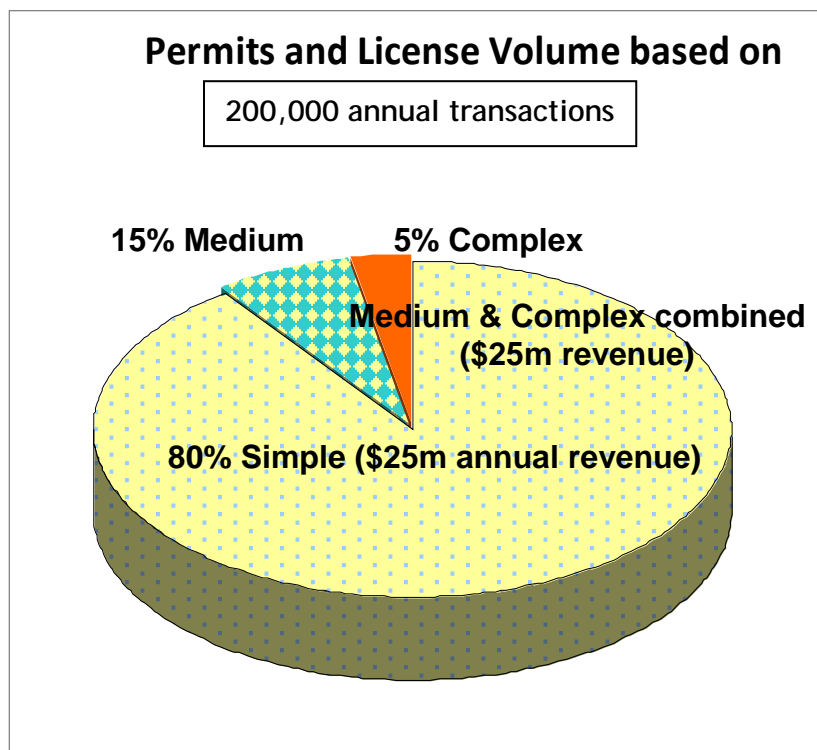
Permit and Licence Characteristics

The program team has identified three key types of permits and licences, each of which presents different opportunities for transformation:

Simple - These permit and licence types require no staff discretion and are not connected to any other permits & licences. They stand alone, and have the greatest opportunity to be processed fully online by customers with minimal work required by staff back of house. Examples include security alarm permits, dog licences, residential parking permits, most business licences, and most trades permits. Together, these make up 80% of permit and licence transactions Citywide.

Medium - These permit and licence types require some staff discretion or review before a permit or licence can be issued, but generally this review can be done by one staff person in one department in anywhere from a few minutes to a few weeks. Examples include street use permits, sign permits, and some new business licence and trades permits.

Complex - These permits require increasingly more discretion and interdepartmental review, multiple bylaws and Council policies to consider, consultation with neighbours and advisory panels, and can take many months to complete. Examples include Development Permits, Building Permits, and Rezoning approvals



Appendix E - Key Program Success Criteria - based on best practice research

Key success criteria:

- P&L Program is understood to be a “business transformation program with an IT enabler” having three high-level goals: (1) Business transformation, (2) Setting up for Service Excellence and (3) modernizing the technology platform;
- At times the program may initiate by-law changes in support of the business transformation, and this will require higher approval prioritization from Council so as not to negatively impact the schedule;
- Strong business champions will continue to be required who can help move the business toward a customer service centric organization, and away from a purely regulator-centric mindset;
- The business will need to focus on scope and decisions that meet the majority of business goals, and not strive for ‘made in Vancouver’ perfection;
- A lean and rapid decision-making model at the executive governance level will be essential to meet the accelerated delivery and remain on schedule;
- The new system will be easy-to-use and more efficient both for internal staff and external customers, be easily adaptable to ongoing changes in the business and will help drive business change.

Appendix F - Key Program Risks

Risk	Trigger	Mitigation Strategy
<p>Program will fail to launch and/or deliver on full required scope for complete business transformation</p>	<ul style="list-style-type: none"> • Increasing budgetary pressures • Competing City-wide portfolio priorities • Sudden changes in Council's agenda • Large, more urgent and/or unforeseen City-wide expenses arise 	<ul style="list-style-type: none"> • Create deployment plan and business transformation sequence that addresses core service delivery issues and PRISM risks first • Deploy next highest-yield components soonest after core risks have been addressed • Create exit strategies at appropriate stages during the deployment to avoid incomplete deliverables (if funding withdrawn/program needs to wrap up prematurely) • Stay aware of Council priorities and agenda
<p>Insufficient buy-in to program, (incl. new service delivery model and/or the solution)</p>	<ul style="list-style-type: none"> • Lack of detailed participation in key business decisions • Low adoption rates (internal) • Low online uptake rates 	<ul style="list-style-type: none"> • Ensure strong business owners & leaders with integrity that support the program goals & vision and overtly champion business participation & ownership • Involve Change Management team as early as possible • Build relationship with influencers • Do lots of face to face communications • Build new processes and capability with stakeholder input & provide necessary readiness assessment, training and post-implementation support to maximize adoption • Involve external customers in testing & gathering feedback on new online capability; supported by comprehensive marketing and communications plan
<p>Additional delays to vendor contract completion and failure of PRISM before new solution can be implemented</p>	<ul style="list-style-type: none"> • High count of legal issues, resulting in protracted contract negotiations • PRISM shows additional signs of instability • Frequent deferral of Program governance committees 	<ul style="list-style-type: none"> • Resolve negotiation issues as quickly as possible • Proceed to Council- in parallel with contract negotiations (in progress) • Start detailed program planning in parallel with contract negotiations (in progress) • Continue close monitoring of PRISM • Complete Business Continuity Plan, test and ready the alternative permitting software tool (complete) • Plan ahead and ensure sponsor and committee members are available for critical decisions
<p>Business won't be able to focus on scope and decisions that meet the majority of business goals</p>	<ul style="list-style-type: none"> • Missing decision deadlines • Can't get finalization on decisions • Decision are being reversed 	<ul style="list-style-type: none"> • Obtain full support for the strategy that meet the majority of business goals, and does not strive for 'made in Vancouver' perfection; • Keep a decision-tracking log and formal sign-off on decisions endorsed by relevant process owners • Ensure there is adequate representation by senior business owners to keep decision-making focused • Allow sufficient time to work through complex business issues • Escalate (quickly) to the relevant manager,

		process owner or Steering Committee
Insufficient resources to support program effort	<ul style="list-style-type: none"> • Insufficient in-house expertise (experience, skills & level of responsibility) • Insufficient availability • Loss of continuity of resources 	<ul style="list-style-type: none"> • Fund backfill positions to free up in house experts (complete) • Exploit freed-up experts • Budget for part-time consulting and/or contractual resources to supplement specific program issues/activities. (complete)
Un-fulfilled expectations	<ul style="list-style-type: none"> • Mis-alignment of scope • High expectation - program will be the silver bullet to all software and business shortfalls • Ineffective communications • Solution does not match initial requirements • Unrealistic expectations from management, users and external clients 	<ul style="list-style-type: none"> • Clear and effective communication around scope and the new solution's capability & benefits • Manage and communicate any constraints early and clearly • Create a clear plan for how program and new solution can help drive change (i.e. standardized processes, service delivery) • Create a realistic plan for completing program on time and to right quality • Set expectations that some service delivery disruptions are inevitable during the program • Build solution and processes that are flexible & can adapt to changing business needs