

The Delivery of Building Department Services in the Future: a Three-part Board Workshop

This report was approved by the board on April 9, 2003

Discussion Summary *Tri-County Building Industry Service Board*

Background

At the February 13, 2002 board meeting, Ray Kerridge and Mike Cliburn asked the board to informally brainstorm with them on how to meet the needs of the building community during the next 10 to 20 years. Members agreed to schedule a series of workshops for such discussions. Although the board does not have authority to take action in this area, members noted that the discussions can help highlight current and emerging service delivery problems and solutions, help jurisdictions better predict customer service needs, and help industry better understand local jurisdictions' service delivery systems. Board workshops were held on May 8, September 11 and December 11, 2002.

Purpose

The purpose of the workshop sessions was to explore and to brainstorm the pros and cons of a number of building department models. Members resolved that the meetings would focus on exploring all aspects of each idea keeping the "open discussion" theme. Members felt their combined expertise would contribute to a more comprehensive picture of each model discussed.

Recommendation

The board recommends forwarding this discussion summary to Building Codes Division Administrator Mark Long as useful information for the governor's Regulatory Streamlining Initiative in which BCD is a major partner. The board does not recommend any model discussed, but rather offers the discussion summary as basis for further analysis.

Methodology

Members began the dialog by brainstorming a vision of the future building environment, and listing the factors that would influence that environment and the future needs of business. They also discussed what could be done immediately and during the next five years to accommodate business needs. The next phase of the discussion focused on the pros and cons of seven building department models.

Discussion Summary

Key themes emerged throughout each phase of discussion:

- § Role of technology.
- § Consistency in service delivery.
- § Industry service delivery has no jurisdictional borders.
- § Delivery of building services must be fast, easy, comprehensive and make the best use of financial and staff resources.

As each service delivery model was discussed, these themes were integrated through the pros and cons that the group brainstormed. Desirable characteristics of service delivery models included:

- § Consistency in service delivery and use of resources.
- § Ability for jurisdictions to deploy expert staff resources where and when needed.
- § The ability for industry to conduct business seamlessly throughout the region.
- § Having a single point of accountability.
- § One-stop shopping for permits, plan review and inspections through the Internet.

Undesirable aspects of any system included:

- § Large bureaucracy.
- § Delays in service deliveries.
- § Added expenses.
- § Land use, planning, zoning and other processes not efficiently synchronized with the building permit and approval process.

The following discussion topics develop these themes and reflect how the desirable, and the undesirable traits, of seven building department service delivery models can be applied for each model.

Discussion Phase I: What Does the Future Hold?

I. The Future Building Environment: What do we think it will be?

A number of factors will play key roles in serving the building community of the future:

- § **Technology.** As more information is shared electronically, a building department's ability to use electronic technology will be essential to keeping pace with industry. Industry is currently producing everything from invoices to complicated commercial plans electronically. Business will rely increasingly on the convenience, cost and time saving aspects of technology to transfer documents, work on documents or plans collectively, and transfer information and funds automatically. Electronic software applications must be interoperable.
- § **Building Codes.** Prescriptive or performance? The choice of code will greatly affect the ways in which a building department carries out its mandate, and how the design and construction communities approach projects. A move to performance codes would, for example, require a great deal of training and "re-education." Consistent interpretation and application of the code is essential to predictability in construction and code enforcement.
- § **Process Streamlining.** Permitting is only a part of the project approval system with land use and other requirements increasingly causing delays that cost industry time and money. Unless these systems are better integrated or synchronized, industry's frustration with the system will increase.
- § **More federal and other regulations.** The likelihood of increased federal regulations such as EPA and free trade agreements add to business costs, and to the time spent in project approval. Other regulatory overlays such as included added land use regulations, and local ordinances and restrictions will continue to bog down the process and delay and complicate the building approval process.
- § **Customer service.** In order to keep pace with customer demands, building departments will have to develop more flexible and more timely business practices. Some ideas included making permitting, planning and staffing more "portable" by creating the ability to process a permit at any convenient location or for building departments to deploy staff where needed, regardless of "jurisdictional" boundaries. The use of third party contractors or of public/private/partnerships may be a more expedient way to complete inspections and plan review.
- § **Type of development allowed.** The urban growth boundaries, for example, could redirect "development efforts" to "re-development efforts," multiplying current restrictions and regulations if the supply of available land dwindles.

II. Business Environment

The next phase of the discussion focused on projections of what the business environment will become during the next two decades.

- § **Business will tend to consolidate into mega-organizations** with fewer businesses doing more work, eliminating the “little guys” from the competition.
- § **Business without boundaries.** Commercial development does not recognize local boundaries. New technology allows local businesses to be administered from central locations allowing long distance work, to advance as a new business trend. A consistent national or international code that creates predictable building requirements for multi-state or multi-national companies will be essential.
- § **Government regulation.** The levels of regulation will make or break business. There is a high probability that more regulation will occur.
- § **New approaches to construction.** The submittal of a complete project to plan review is rapidly becoming an outdated concept. The industry now uses a design/build model. Phased construction was new only a few years ago, and today it is the norm for mid to large sized projects. Projects will be completed differently to save time and other costs and new construction types, such as “green buildings,” are creating new industries.

III. What can we do to accommodate business now?

The following are ideas that could be implemented now if necessary:

- § Create the ability to apply for a trade permit (non-plan-review) anywhere.
- § Establish intergovernmental agreements to facilitate business practices, such as the trade permit concept.
- § Convene the technology staffs of all area jurisdictions to discuss developing consistent or interoperable systems throughout the region that enhance the ability to share information.
- § Conduct compliance programs through intergovernmental agreements or private firms.

IV. Incremental solutions: Meeting industry’s business needs during the next five years.

The following are ideas that could be implemented in the tri-county region over the next five years. Members felt that the Tri-County Service Center and Board had established a cooperative foundation for future regional projects.

- § Initiate one-stop permitting and plan review.
- § Create the ability to apply for a permit at any jurisdictional location.

- § Use intergovernmental agreements to facilitate permit and staffing solutions.
- § Promote the use of electronic technology to expedite the building process.
- § Create consistent information management throughout the region.

Discussion Phase 2: Possible Service Delivery Models

Building department service delivery in the future.

The exercise of defining the changing building environment during the first workshop set the stage for the next phase of discussion. The next two workshops were devoted to an open discussion and brainstorming on the pros and cons of the seven possible building department scenarios that the board listed in its first workshop. Following discussion notes and summaries covering each building department model.

- I. **Leave the system “As-Is.”** “As is” is defined as the current system that relies on local jurisdictions to carry out building department administration. At the present time, 132 jurisdictions in Oregon have building department programs that offer varying levels of service that may include permit issuance, inspection and plan review. Twenty-seven such jurisdictions function in the tri-county area alone. Service levels are uneven; some jurisdictions have very limited programs, offering plumbing and building permits and inspections only. Others offer the full palette of services from permitting to plan review and inspection for each code area.

“As Is” Discussion Points: Pros and Cons

Pros

- § Familiar.
- § Established.
- § Reflects local control and philosophy.
- § Supports community relations.
- § Local appeal process.
- § Smaller offices provide better, faster service.
- § Local staff has local knowledge.

Cons

- § Code issues are subject to local interpretation contributing to inconsistency.
- § Local building departments are susceptible to local political pressures.
- § Service levels are inconsistent.
- § Fees vary.
- § Reduced access to technical expertise.
- § Jurisdictions have various levels of political influence.
- § Less control over revenue.
- § Unlimited variety of internal processes and procedures among jurisdictions.
- § Creates barriers to portability of plans and issuance of permits.
- § Inconsistent use of technology.
- § Incompatible computer systems.
- § Difficult to recruit or retain staff when pay levels vary among jurisdictions.

Summary: The advantages of the current system are familiarity, and that the service is tailored to local needs. The disadvantages of the current system focus on problems caused by inconsistent practices throughout the region. The inconsistencies cost contractors who work across jurisdictional lines, time, money and frustration. For jurisdictions, the current system limits the possibility to share resources and expertise that could optimize their operations, and to create a more potent political force.

II. One Oregon Building Codes Department: This system is defined as one state-run building department responsible for all permit, plan review and inspections. Work could be carried out through regional or local offices.

Discussion Points: Pros and Cons

Pros

- § More consistent interpretations and application of code.
- § Buck stops in one place.
- § Consistent use of revenue.
- § Better use of staff and more flexibility in making assignments.
- § Broader technical expertise.
- § One computer system.
- § Better use of funding resources
- § One-stop shopping.
- § No more general fund subsidies for local government building departments: savings to tax payers.
- § Vastly improved compliance.
- § Less susceptible to local political pressures.

Cons

- § Large bureaucracy will slow the process and cause delays, e.g. alternative, methods, appeals and approvals.
- § Subject to legislative scrutiny and budgetary constraints.
- § Managing a large program is more difficult.
- § May not be able to provide next day service/inspections/plan review.
- § Would be more expensive to operate.
- § Too much distance between service counter and final decision.
- § Further fragmentation of development review process (local land use vs. regional building department); coordination with local government will be challenging.

Summary: The advantages of a state-run system are consistency, a single point of accountability and efficient use of technical and funding resources. The disadvantages focused on problems inherent in large bureaucracy such as slower service and higher costs, a disconnect with local planning and land use processes, and a possible overall slowing of service delivery.

III. Tri-County Regional Department. This model is defined as a regional department run by a board. The board, made up of industry and local government representatives, would oversee one regional building department that has local offices that deliver building department services such as permitting, plan review and inspections.

Regional Department Discussion Points: Pros and Cons

Pros

- § Consistency in code interpretations, computer systems, forms, internal and external processes, and fees.
- § One-stop regional permitting.
- § Centralized code expertise.
- § Would clearly delineate building department vs. local issues.
- § Regional system is more manageable than statewide system.
- § Excellent ground work laid in Tri-County to date.
- § Industry’s input would help establish a better system
- § Single point of accountability.
- § Consistent use of revenue.
- § Better use of staff ; more flexibility in making assignments.
- § No general fund subsidies for local government building departments: savings to tax payers.
- § Vastly improved compliance.
- § Less susceptible to local political pressures.
- § More control over revenue.

Cons

- § Larger bureaucracy will slow the process and cause delays e.g. alternative, methods etc.
- § Managing a large program is more difficult and usually costs more.
- § May not be able to provide next day service/inspections/plan review.
- § Too much distance between service counter and final decision.
- § Further fragmentation of development review process; coordination with local government will be challenging.

Summary: The advantages of this system mirror those of the statewide system: consistency in code interpretation, service delivery, and use of revenue. Additionally, such a regional system would be smaller, and easier to manage, than a statewide system, tailored to regional needs, and would benefit from the input provided by industry through its board. The coordinating function of the Tri-County Building Industry Service Board has already created the groundwork and the partnerships for a regional building department in the area.

Like the statewide system, the disadvantages focus on problems created with a larger and potentially slower and expensive bureaucracy, slower service delivery and the disconnect that such a system could create among the regional entity, the local land use and the local zoning processes that are part of the building permit approval system.

IV. Privatization: In this discussion, the term privatization took two forms. One definition suggested that privatization could mean a public-private partnership in which the building department took the role of quality control, with the licensed architect, engineer or certified contractor, or third party contractor approved the plans and the building department issued the permit and inspections. Another privatization model suggested that the municipality contract with companies or individuals who would provide permitting, plan examination and/or inspection services.

Privatization Discussion Points: Pros and Cons

Pros

- § Having contractors, architects and engineers certify projects and inspections would greatly streamline the process and shift liability.
- § Competition could lead to better service.
- § Competition would produce better qualified individuals to perform compliance, plan review, inspection.
- § The ability to deploy appropriate resources to the situation, e.g. contract with experts to handle inspections and plan review on specialized projects.
- § May be able to find better qualified inspectors, reviewers for performance codes.

Cons

Privatization Cons

- § Lack of public involvement.
- § Less public oversight and quality control.
- § Companies may not have local knowledge contributing to inconsistent inspection and compliance results.
- § May not be able to provide next day service/inspections/plan review.
- § Too much distance between service counter and final decision.
- § Further fragmentation of development review process; coordination with local government will be challenging.
- § Less control.

Summary: The advantages of privatization included process streamlining and the potential for market competition to produce more qualified inspectors and plans examiners, and more code-savvy architects, engineers and builders to drive the development of services that focus on reducing costs and providing customer satisfaction. The disadvantages focused on issues of control and coordination.

V. Inter-governmental Agreements. This model is defined as the current system enhanced with intergovernmental agreements that allow maximum efficiency in deployment of staff and resources regardless of jurisdictional boundaries.

Intergovernmental Agreements Discussion Points: Pros and Cons

Pros

- § Better use of resources.
- § Better use of staff (portability).
- § More cooperation among jurisdictions.
- § Tri-County is a good example of such

Cons

- § Complicated.
- § Bureaucratic—need extra staff to monitor all the agreements.
- § Computer systems currently not

- teamwork already taking place.
- § Increased consistency.
- § Allows for a regional approach.
- § Signals to industry a willingness to solve problems as cheaply and efficiently as possible.

- capable and jurisdictions would find it hard to share data.
- § Inconsistencies in paper flow.
- § Liability and insurance issues would hamper coming to agreements.
- § Coordination issues could bog down the processes that the agreements were meant to simplify.
- § Agreements could potentially be more expensive.

Summary: Pros of the intergovernmental model included efficient use of staff, resources and partnerships. Cons of this model focused on creating a new bureaucracy to manage the process that could potential lead to more problems that it would solve.

VI. County Model: In this discussion, the county model is defined as the elimination of city building departments and consolidation of building department services in the counties.

Discussion Points: Pros and Cons

Pros

- § Consistency in code interpretations, computer systems, forms, internal and external processes, and fees.
- § One-stop regional permitting.
- § Centralized code expertise.
- § Would clearly delineate building department vs. local issues.
- § Regional system is more manageable than statewide system.
- § Single point of accountability.
- § Consistent use and control of revenue.
- § Better utilization of staff (flexibility).
- § No general fund subsidies for local government building departments: savings to tax payers.
- § Vastly improved compliance.
- § Less susceptible to local political pressures.

Cons

- § Increased costs and fees.
- § Could be inconvenient to customers who lose a local office.
- § Plans approval process would be complicated because coordination with local municipalities would be necessary.
- § Customers would not receive local services with personnel who understand their issues.
- § Loss of consumer convenience and service.
- § Less continuity with local processes such as planning and land use.
- § Larger bureaucracy will slow the process and cause delays e.g. alternative, methods etc.
- § Managing a large program is more difficult and usually costs more.

Summary: The advantages of consolidating building services in the counties include consistent service delivery, better use of resources, enhanced political clout, and a single point of accountability. The disadvantages mirrored those mentioned in the

regional approach: a disconnect with local processes, a larger bureaucracy that could hamper efficient service delivery and cost more, and the loss of local control.

VII. National or multi-state regional model: This system was defined as a centralized building department that oversees a multi-state region or the entire country.

National Model Discussion Points: Pros and Cons

Pros

- § Business would be conducted over the internet.
- § One-stop shopping for permits and plan review.
- § Would require a nationally adopted code which would mean greater consistency.
- § Consistency in project approval processes.

Cons

- § State certification requirements would have to change.
- § Even more bureaucracy than state model.
- § Out of touch with local issues.
- § Hard to coordinate with municipalities.
- § Could lack expertise on adopted codes.

Summary: The advantages relate to the use of the Internet providing the capacity for one-stop permitting and plan review, and a higher level of consistent service delivery including code interpretation. The disadvantages included disconnects with state and local systems and the creation of a mega-bureaucracy.