

Calgary 

Calgary Building Services Zero-Based Review
Priority and Finance Committee
November 15, 2016

11/15/2016 CBS ZBR Report to PFC

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Calgary  **Agenda**

- **Introductions** Brad Stevens, Chair CBS ZBR
- **State of the Business** Kevin Griffiths, CBS Director
- **CBS ZBR Overview** Brad Stevens, Chair CBS ZBR
- **Recommendations & Results** Stephanie McIntyre, Kogawa
Susan Keen, Kogawa

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State of the Business

Kevin Griffiths, Director Calgary Building Services

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CBS ZBR Scope

- Planning & Development (\$110M budget)
 - Business Development
 - Policy Advisory
 - Business Services
 - Calgary Building Services (CBS) (\$76M budget)
 - Customer Advisory Services
 - Building Regulations
 - Business Services

Business Operations & Project Management Support for all BUS

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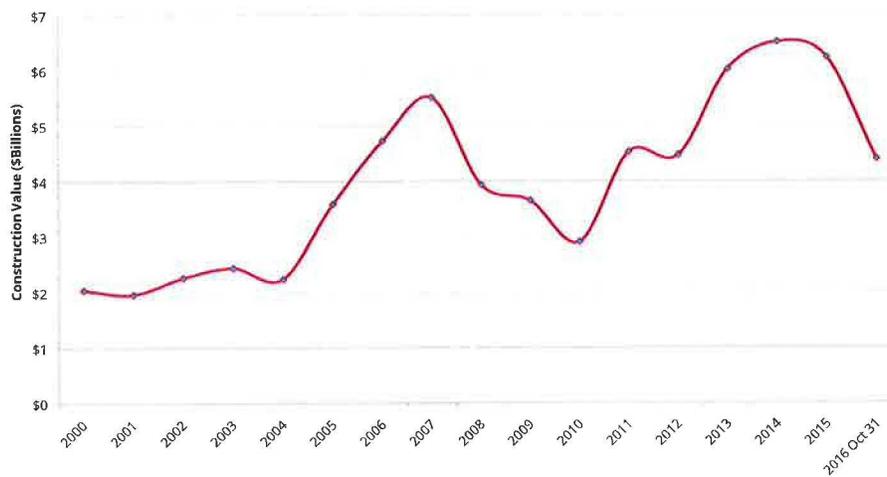


PD Service Areas

- A. City planning & policy development
- B. Development facilitation services
- C. Building safety facilitation services
- D. Business occupancy facilitation services
- E. Customer outreach & customer coordination services
- F. Services that contribute to A – E



Year over Year BP Construction Value



Calgary		CBS Budget Projections Range		
Revenue Projections (\$'000s)				
2015	2016	2017	2018	
91,361 (actual)	78,000 to 82,000	55,000 to 63,000	68,000 to 74,000	
Operating Expenditures Budget (\$'000s)				
2015	2016	2017	2018	
70,173 (actual)	77,000	79,000	81,000	
PD Capital Expenditures Budget (\$'000s)				
2015	2016	2017	2018	
6,459 (actual)	10,000	19,000	7,000	
Sustainment Reserve Projections (\$'000s)				
2015	2016	2017	2018	
93,707 (actual)	91,000 to 94,000	55,000 to 66,000	29,000 to 55,000	

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Calgary		CBS - A Focus on the Customer		
<p>Calgary Building Services (CBS) plays a central role within Planning & Development for The City of Calgary. Working with the public and businesses, CBS coordinates and manages issuance of development permits, building permits, and business licenses.</p>				
Over 200,000 customer inquires per year				
60,000 customers served at front counter in 2015				
Average of 81,500 permits per year				
235,755 inspections per year				
38,722 new/renewed business licenses				

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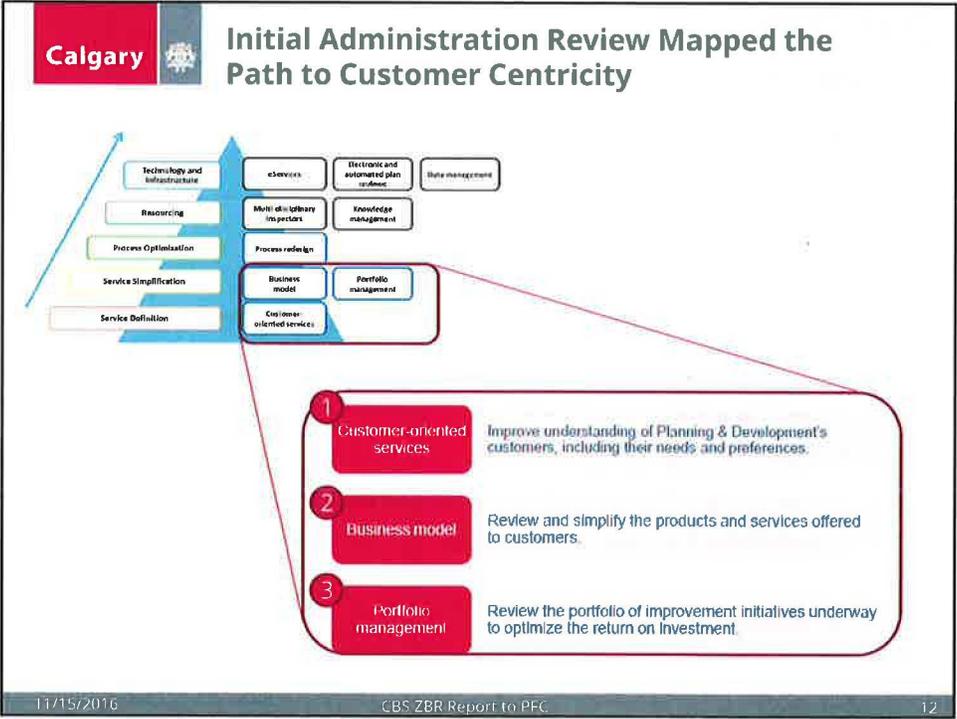
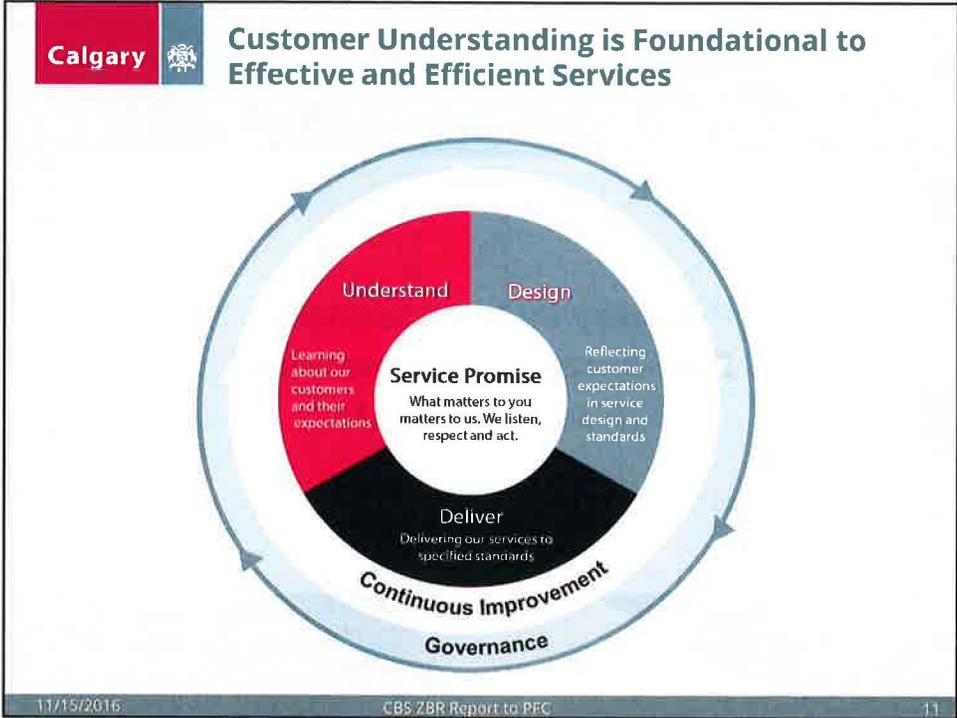
**Calgary Building Services
Zero-based Review Overview
Brad Stevens, GM**

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Calgary  **Calgary Building Services ZBR**

- **It's all About the Customer!**
 - Customer experience not just the operating budget
- **Highly Focused and Collaborative**
 - Scoped on customer segments not BU boundaries
- **Supporting a Culture of Continuous Improvement**
 - Harness the existing commitment to service improvement
- **Building Rigor and Discipline**
 - Focus on the right things
- **Identifying Efficiency Gains and Service Benefits**
 - Leap forward in customer experience
 - 5% reduction on operating budgets
 - Reduce financial risk

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Customer Segmentation and Journey Mapping

Administration:

- Defined customer segments
- Clarified differences in customer expectations
- Mapped customer journeys
- Identified bottlenecks in customer experience
- Mapped improvement initiatives against customer needs

Homeowners

Sm Business Owners

Contractors, Trades

Builders, Developers

Supporting Professionals

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HOME OWNERS

Description:

Individual homeowners who are undertaking home improvement projects such as decks, garages, fences, renovations, or basement developments.

% of Customers	% of Permits	% of Fees
66%	13%	4%

Typical Characteristics:

- Getting a permit from The City is a rare occurrence for them.
- They may not be very familiar with the permit process and need a lot of guidance from staff to understand the steps and requirements.
- They have high expectations of the service and often expect The City to provide construction advice.
- They may potentially avoid or give up on the permit process if it feels like too much of a hassle.

Typical Products and Services Accessed:

- Development permits (relaxations)
- Building permits (Residential Improvement Project)
- Trade permits
- Inspections

Drivers of Satisfaction:

I am satisfied when...

- I know exactly what The City needs from me for my application.
- The process is easy and straightforward and "how-to" guides are available.
- City staff are patient with me and walk me through the process.

I get frustrated when...

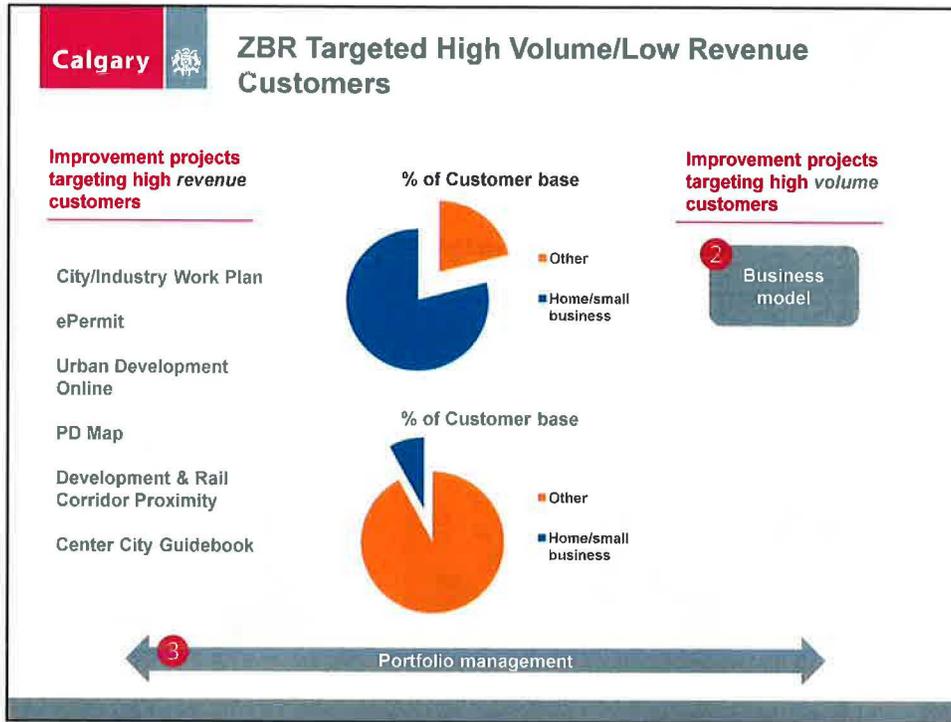
- I need to take time off work to come to the Municipal Building for a permit or to wait for an inspection.
- I have to wait in line at the permit counter.
- Information is presented using terminology that I don't understand.
- The requirements seem to be different for my application than for my friends, family and neighbours.

Preferred Service Channels:

- They want interactions to be customized to their needs.
- Channel preferences vary based on knowledge level and demographic – phone, self-serve, online, print, and in person.

Permit Volume: ● ○ ○ ○ ○

Fees: ● ○ ○ ○ ○



Calgary  **The ZBR will make services more effective, efficient and sustainable**

3 Main Recommendations (including 20 Detailed Recommendations)	BENEFITS
Administration Accepts all Recommendations	
<p>2 Business Model Service Simplification</p> <ul style="list-style-type: none"> ▪ Kogawa Recommendation #1: Self-directed/online services for Home/Small Business Owners ▪ Kogawa Recommendation #2: Improve processes and business rules using a risk-based approach 	<ul style="list-style-type: none"> ➤ \$3.5M or 5% annual cost avoidance/saving after full implementation (based on CBS operating budget); Year 5 and a 60% adoption rate ➤ \$1.9M back to Calgarians – out of pocket expenses and plus time ➤ A better customer experience ➤ Reduction of financial risk based on cost containment from automation
<p>3 Portfolio Management</p> <ul style="list-style-type: none"> ▪ Kogawa Recommendation #3: Adopt a business portfolio management framework to improve governance, management and monitoring of projects 	<ul style="list-style-type: none"> ➤ \$1.14M or 1% annual cost savings starting at Year 1 (based on the PD operating budget) ➤ Strategic alignment between customer needs and continuous improvements

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Recommendations and Results
Stephanie McIntyre & Susan Keen, Kogawa

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