

CLERK'S OFFICE  
**APPROVED**  
Date: 5/20/08

Submitted by: Chairman of the Assembly  
at the Request of the Mayor  
Prepared by: Development Services  
Department  
For reading: May 6, 2008

ANCHORAGE, ALASKA  
AR NO. 2008-90

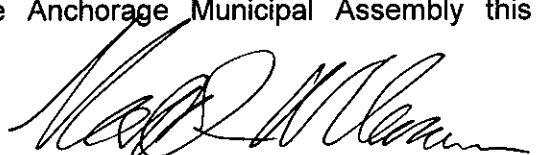
A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE APPROPRIATING ONE MILLION, EIGHT HUNDRED SEVEN THOUSAND, EIGHT HUNDRED FIFTY-THREE DOLLARS (\$1,807,853) FROM THE BUILDING SAFETY FUND 181 FUND BALANCE TO THE DEVELOPMENT SERVICES DEPARTMENT BUILDING SAFETY FUND 181 FOR IMPLEMENTATION OF THE PERMITTING INSPECTION AND LICENSING SYSTEM.

THE ANCHORAGE ASSEMBLY RESOLVES:

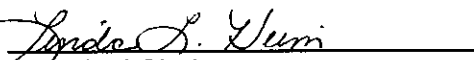
**Section 1.** That the sum of one million, eight hundred seven thousand, eight hundred fifty-three dollars (\$1,807,853) is appropriated from the Building Safety Fund 181 fund balance to the Development Services Department Building Safety Fund 181.

**Section 2.** That this resolution shall take effect immediately upon passage and approval by the Anchorage Municipal Assembly.

PASSED AND APPROVED by the Anchorage Municipal Assembly this 20<sup>th</sup> day of May, 2008.

  
Chair

ATTEST:

  
Municipal Clerk  
Deputy  
Departmental Appropriation:  
Development Services - \$1,807,853



# MUNICIPALITY OF ANCHORAGE

## ASSEMBLY MEMORANDUM

No. AM 306-2008

Meeting Date: May 6, 2008

**FROM:** Mayor

**SUBJECT:** Appropriation of One Million, Eight Hundred Seven Thousand, Eight Hundred Fifty-Three Dollars (\$1,807,853) from the Building Safety (Fund 181) Fund Balance to the Development Services Department Building Safety (Fund 181) for Implementation of the Permitting, Inspections and Licensing System (PILS).

The Permitting, Inspections and Licensing System (PILS) project will provide an integrated solution to manage, track, and enhance delivery of building and related construction permits, plan review, inspection requests and results, and on-line payment activities for the MOA. The system will be used to manage the intake, routing, plan review, permit issuance, inspection request and results and certificates of occupancy for building and related construction permits. The expected result is to facilitate citizen access to municipal services via the World Wide Web and eliminate multiple redundant and manual systems in order to improve work-flow, data capture, interdepartmental collaboration, information access, and revenue management of municipal building permit and related construction activities.

The Development Services Department ensures safe construction and responsible development for the Municipality of Anchorage by providing building construction plan review, building and related construction permit issuance, building inspections, code enforcement (land use (zoning) & right of way), code abatement (dangerous structures/conditions) and on-line services (well and septic). The Department issues an average of 10,000 permits and conducts over 40,000 inspections annually.

The Development Services Department has long recognized the need to provide services to the public using the most efficient and expeditious methods. Since the mid-1990's we have continually leveraged leading edge technology to provide those services, recognizing the need to keep our organization lean and flexible to be able to react to market based conditions. Throughout the process our primary focus has been providing efficient, effective customer service by recognizing that time is money to the homeowner and development community while continuing to ensure safe construction and responsible development within the community. Our mission statement says it all: "Guiding Safe Construction and Responsible Development for the Community." We live our mission statement and value the partnership-type relationship we share with our customers.

In 2005, in collaboration with the Information Technology Department, Development Services presented to the Assembly a five year plan that was part of both departments' Strategic Plans and aligned with the Mayor's vision of providing increased services through the internet. The plan defined the methodology to deliver municipal services to the community using a common software system and database. In addition to increased

1 services there would be great cost savings by elimination of 13 disparate systems,  
2 consolidated into one. The management tools available through sharing of information  
3 across a single platform were previously not available. The system presented was  
4 Hansen 8. It is a parcel based, land management (development management) system  
5 comprised of many modules, all designed to share information across a single system  
6 and link to each other. The Assembly shared the vision, endorsed our five year plan and  
7 approved our initial funds transfer to purchase the Code Enforcement Module at a cost  
8 of \$927,628. It was up to the MOA/Hansen Team to deliver; we did.

9  
10 The code enforcement project was challenging, rewarding and an unequivocal success.  
11 Early in 2007 the department once again made a presentation to the Assembly, Mayor  
12 and department directors demonstrating the success of the project enjoyed. The project  
13 was delivered on time and under budget. Through use of this system we realized staff  
14 time (salary) savings that would have been expended in manual processes equivalent  
15 to \$755,000 in the first year which provided many opportunities previously not available,  
16 such as public outreach and education, involvement with community councils and other  
17 proactive efforts. The project and results were so successful it was awarded the 2007  
18 Alaska Community Award of Excellence by the Alaska Municipal League (The Alaska  
19 Municipal League (AML) is a voluntary, nonprofit, nonpartisan, statewide organization of  
20 140 cities, boroughs, and unified municipalities, representing over 97 percent of  
21 Alaska's residents.).

22  
23 The most important statistic is the effective resolution of code enforcement cases. The  
24 open case load was reduced by an amazing 63% in just six months which allowed our  
25 officers time to work with the community in a proactive, educational role. We can access  
26 all our data bases in a mobile environment, in the field, eliminating duplicitous data entry  
27 and manual methods. We have been able to interact with the community and build  
28 relationships that prevent code violations rather than having to resolve them later.

29  
30 Despite the overwhelming success of the Code Enforcement module, there was an  
31 even more efficient way to manage the next project. We proposed an innovative  
32 "partnership" concept with Infor/Hansen. Our business processes are proven, valuable  
33 and our workflows documented. The concept was that if we shared our experience and  
34 expertise with Infor/Hansen we could reduce our costs and improve their product. Our  
35 experience proved that Infor/Hansen had powerful software that improved our ability to  
36 deliver services exponentially. We mutually agreed a partnership would be mutually  
37 beneficial. Through considerable collaboration we have formed a process that  
38 drastically benefits the public and private sector and reduces the initial expected costs  
39 to the Municipality of Anchorage by fifty percent. Conventional implementation of this  
40 software was quoted at \$2.5 million. By public/private sector collaboration that price was  
41 reduced to approximately \$1.5 million.

42  
43 In keeping with our five year plan it is time to expand our services to the community  
44 through implementation of the second phase. The second phase includes Permitting,  
45 Inspections, and Trade Licensing. This project has a fourteen to sixteen month time line  
46 and a budget of \$1,514,853 for six modules and professional services, \$115,000 for the  
47 annual software maintenance agreement, plus \$178,000 for a project manager for a  
48 total of \$1.8 million. Upon "go live" both citizens and employees, even inspectors in the

field will be able to access most services through the Dynamic Portal, which is a .Net technology based internet system capable of mobile and internet access, depending on permissions. Most services will be available on line so the customer can better use their time on other projects rather than in commute time. It will allow inspectors to file inspection results in real time, electronically, which will then be instantly available for viewing and use.

As shown with the implementation of the Code Enforcement module, resource savings through salary savings by automatic sorting and routing, and fuel savings through the ability to obtain daily inspections remotely, will provide a ROI in short order.

Our current permitting process is a computer based system that is still heavily dependent on paper and human resource intensive processes. Inspections are currently accomplished primarily with a paper based system that requires manual sorting and arranging of the daily inspections. On average, preparation time per inspector is at least an hour a day per inspector. That is a minimum of 26 resource hours per day. Additionally inspection results are currently paper copies that must be manually filed in permit folders. The new technology will facilitate real time, digital recordation of inspection results instantly available for use by all users of the system, public and private sector.

The system we are using is functional but not efficient, current or maintainable. The PAS software platform is PowerBuilder Pro based and antiquated. It was initially installed in 1996 and maintenance has become challenging and expensive. In order to improve delivery of services to the citizens of Anchorage efficiently it is time to move into the next phase of the five year plan. By investing in the second module of Infor/Hansen as previously supported by the Assembly, we are moving into the future in the right direction.

Recent building market conditions and increasing energy prices emphasize the need for increased efficiencies. Our department is impacted as well as the private sector. At Development Services we remain flexible to be able to react to changing market conditions. We recently eliminated four positions, two seasonal building inspectors, a permit technician and a permit clerk. These are real cost savings but also present challenges. Through attrition we were able to delete the positions after the incumbent left the position. While the residential building market is slowing, the commercial and government sectors continue to grow. In spite of reduced staffing levels the permitting and inspection load remains constant. Most commercial inspections are much more involved and time intensive than residential inspections. Infor/Hansen8 will allow us to increase services despite staff reductions.

Approval of the budget transfer and sole source contract for Infor/Hansen8 permitting, inspection and licensing modules is the right decision to make for the community at the right time based on market and economic conditions, the Strategic Plans of the Information Technology Department and the Development Services Department. It is the next step in the previously endorsed five-year plan. The technology is proven and has performed far beyond our initial expectations. The increased efficiencies will allow homeowners and the development community to maximize use of their time by

accessing municipal services on-line through the Dynamic Portal. Moreover, the project concept is innovative, sound and allows us to implement a product at a previously unheard of low cost.

By comparison, using the existing, commonly accepted software industry business model that is heavily configuration (programming) based, the implementation cost of these six modules would be \$2.4 million. Utilizing the new business model based on public/private sector partnership and shared risks include a fixed-price (not time and materials) implementation of six modules at a total cost of \$1,692,853, a savings of \$700,000. Additionally, through negotiations we acquired an additional 60 software licenses ("seats") for the system at no additional cost. The value of the seats to the Municipality of Anchorage (MOA) is \$500,000 based on Infor/Hansen's pricing model. The combined savings and value added to the Municipality of Anchorage is \$1.2 million. As the five year plan progresses, the value added is MOA's ability to include the permitting and inspection functions of the Health and Human Services Department, Anchorage Fire Department and Anchorage Water and Waste Water using existing licenses. Through system integration data will be shared between existing Hansen Code Enforcement module and the AWWU (Hansen) permitting module and all the modules in this project.

This is an innovative public/private sector partnership. The value to the citizens of Anchorage and the Municipality of Anchorage is significant through delivery of services through the internet. It aligns with our strategic plans and is the second phase of what we promised the citizens we would deliver. The unique and innovative business model provides multiple modules at previously unattainable pricing. We respectfully request approval of the fund transfer and of the sole source contract.

The budget detail of the appropriation is presented for information as follows:

<u>Revenue</u>	<u>Account</u>	<u>Amount</u>
181-0740	Fund Balance	\$1,807,853
<u>Expenditure</u>	<u>Account</u>	<u>Amount</u>
181-7530-1101	Salaries and Wages	\$ 178,000
181-7530-3101	Professional Services	1,514,853
181-7530-3612	Computer SW Maintenance	<u>115,000</u>
Total		<u>\$1,807,853</u>

THE ADMINISTRATION RECOMMENDS APPROVAL OF THE RESOLUTION APPROPRIATING ONE MILLION EIGHT HUNDRED SEVEN THOUSAND EIGHT HUNDRED FIFTY THREE DOLLARS (\$1,807,853) FROM THE BUILDING SAFETY FUND 181 FUND BALANCE TO THE DEVELOPMENT SERVICES DEPARTMENT BUILDING SAFETY FUND 181 FOR THE IMPLEMENTATION OF THE PERMITTING, INSPECTION AND LICENSING SYSTEM.

1		
2	Prepared by:	Ron Thompson, Director, Development Services Department
3	Fund Certification:	Sharon Weddleton, FO
4		181-0740 \$1,807,853 (181 Fund Balance)
5	Concur:	Michael K. Abbott, Municipal Manager
6	Respectfully submitted:	Mark Begich, Mayor

**Content ID:** 006333**Type:** AR\_FundsApprop - Funds Approp Resolution

A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE APPROPRIATING ONE MILLION, EIGHT HUNDRED SEVEN THOUSAND, EIGHT HUNDRED FIFTY-THREE DOLLARS (\$1,807,853) FROM THE BUILDING SAFETY FUND 181 FUND BALANCE TO THE DEVELOPMENT SERVICES DEPARTMENT BUILDING SAFETY FUND 181 FOR IMPLEMENTATION OF THE PERMITTING INSPECTION AND LICENSING SYSTEM.

**Author:** maglaquijp**Initiating Dept:** Dev\_Svs**Description:** Funds Appropriation Resolution - Permitting, Inspections and Licensing System**Date Prepared:** 5/1/08 3:05 PM**Director Name:** Ron Thompson**Assembly Meeting Date:** 5/6/08**Public Hearing Date:** 5/20/08

2008 MAY - 6 PM 1:47  
CLERK'S OFFICE  
M.O.A.

<u>Workflow Name</u>	<u>Action Date</u>	<u>Action</u>	<u>User</u>	<u>Security Group</u>	<u>Content ID</u>
Clerk_Admin_SubWorkflow	5/6/08 1:03 PM	Exit	Heather Handyside	Public	006333
MuniMgrCoord_SubWorkflow	5/6/08 1:03 PM	Approve	Heather Handyside	Public	006333
MuniManager_SubWorkflow	5/6/08 1:01 PM	Approve	Michael Abbott	Public	006333
MuniManager_SubWorkflow	5/6/08 11:19 AM	Checkin	Joy Maglaqui	Public	006333
Finance_SubWorkflow	5/5/08 4:59 PM	Approve	Sharon Weddleton	Public	006333
OMB_SubWorkflow	5/2/08 11:16 AM	Approve	Wanda Phillips	Public	006333
Dev_Svs_SubWorkflow	5/1/08 3:31 PM	Approve	Ron Thompson	Public	006333
FundsAppropWorkflow	5/1/08 3:08 PM	Checkin	Vicki Gonzalez	Public	006333

*Lead on the Table with*

CONSENT AGENDA - INTRODUCTION