

Mayor Sylvester Turner's

Transition Team

On

Public Works and Engineering

March 1, 2016



II. COMMITTEE MEMBERSHIP

| | |
|-------------------|--|
| Peck Boswell | BRH Garver |
| Jeff Collins | Civil Engineer, LJA Engineering |
| Tony Council | Professional Engineer, TLC Engineering Inc. (Transition Committee Co-Chair) |
| Jon Deal | President, TDC Realty LLC |
| Becky Edmondson | President, Westbury Civic Club |
| Pat Frazier | Community Leader / Teacher |
| Marlene Gafrick | Planner, MetroNational |
| Eddie Gonzalez | Business Representative, SMART |
| Tony Gonzalez | Commercial General Contractor, The Gonzalez Group |
| Larry Hunt | Professional Engineer, President, Hunt & Hunt Engineering Corp. |
| Jessica Jones | Reliability Engineer; Dow Chemical |
| Wayne Klotz | Professional Engineer, RPS Klotz Associates (Transition Committee Chair) |
| Jeremy McFarland | Residential Architecture, Brick Moon Design |
| Ben Mendez | Facilities Manager, MD Anderson |
| Gary Mosley | Developer/Restaurateur/Pres., Creek Group Restaurants |
| Sanjay Ram | VERSA Group |
| Epi Salazar | Professional Engineer, President SES Consulting Engineers |
| Jeff Santori | Marketing Rep/Recruiting Specialist, LiUNA/Midwest Region |
| Brian Smith | BSCI |
| Calvin Speight | Business Manager Plumbers Local 68 |
| Ravi Yanamandala | Professional Engineer, Geotest Engineering |
| Carlos Villarreal | Assistant Business Manager, I.B.E. W. Local 716 |
| Bobby Singh | Professional Engineer, Isani Consultants, Executive Transition Team – Liaison to PWE |
| Steve Costello | Professional Engineer, Costello, Inc., Executive Transition Team |
| Kathryn McNeil | Resource |

III. EXECUTIVE SUMMARY

The Public Works and Engineering Transition Committee presents its findings to Mayor Sylvester Turner. We understand the importance of PWE to the City of Houston, and we believe the recommendations in this report will improve transparency, efficiency, and accountability in their operations.

Recognizing the size of our assignment, the committee divided into 3 subcommittees to study our three primary issues. Each subcommittee had its own chair, and all committee members were asked to volunteer to serve in the area of highest interest. Our committee report is a compilation of reports from the 3 groups, and all members of the committee had the opportunity to review and comment on its contents.

Tony Council and Wayne Klotz appreciate the honor of leading this group. Please let us know if we can provide additional information or answer questions.

III. EXECUTIVE SUMMARY

ORGANIZATION / OPERATIONS / PUBLIC ENGAGEMENT SUB-COMMITTEE REPORT

The Sub-Committee is addressing issues pertaining to –

- Public / Community engagement and perception of PWE
- Operational efficiency and timely delivery of core services and projects including Permitting
- Organizational Structure that facilitates collaboration and eliminates “Us vs. Them” mentality and redundancy.

Recommendations to address major areas of concern to the public, communication and operational efficiency are all rolled into Organizational Structure Recommendations

- Organization Structure (attached) addresses Communication, Permitting, Planning, and streamlines delivery and implementation of core day-to-day services.
- Recognition that the best of Organization Structures is only as good as the spirit of collaboration (eliminating “Us vs. Them” internally and externally) and clear expectations / accountability set by the leadership. The citizens of Houston have hired a TEAM and that team includes the Mayor, City Council, PWE AND external service providers to deliver PWE services.
- Consideration of a strong Executive Deputy Director position that will drive day-to-day implementation allowing PWE Director to focus on long-range issues, strategic initiatives mega projects and internal/external communication.
- Elevating “Communication” to a Deputy Director position to focus on public engagement as well as inter-agency/media/internal communication
- Re-aligning the Planning & Development Division to focus on Permitting & Development and moving the “Planning” function to appropriate Divisions.
- Traffic & Transportation – Identified by Houstonians as a major problem facing the region, elevating this issue and having a MOBILITY Commission in the Mayor’s Office is recommended. Having a Houston Mobility Commission that is tasked with policy decisions impacting regional multi-modal transportation issues and inter-agency collaboration across governmental lines.

III. EXECUTIVE SUMMARY

PERMITTING SUB-COMMITTEE REPORT

The Permitting Sub Committee reviewed building plan review quality and timing, inspections and customer service impact on construction projects within the city.

Plan Review - Quality of Review and Timing

- Establish quality of review standards for reviewing a set of plans.
- Establish a maximum number of days each group within plan review has to review a set of plans.
- Streamline operations to increase capacity.
- Create a stakeholder committee that meets quarterly with the Deputy Director to improve permit process.

Inspections

- Provide consistency in inspection.
- Repair the inspection notification system.
- Allow outside inspections for foundation and pier on single family residential projects.

Customer Service

- Plan review and the Houston Permit Center should report to a Deputy Director whose primary job is Plan Review and the Permit Center.
- Provide greater customer accessibility to employees.
- Establish a “Customer Liaison Group” that resolves complaints, discrepancies and issues.
- Software
- Hold customer workshops.
- Review permit fees.

III. EXECUTIVE SUMMARY

CONTRACTS SUB-COMMITTEE

The Contracts Sub Committee is addressing the issue of firms having an equal chance to compete in Professional Services Procurement and Construction Contracting.

Professional Services Recommendations

- Meeting of all stakeholders on Level of Effort
- Change in procurement method and schedule

Construction Contracting Recommendations

- Workforce Development
- Improving Contracting Process

The Sub Committee met with PWE Director Dale Rudick and his staff to discuss contracting issues. Director Rudick and staff provided information on current contracting process and proposed improvements. Ideas to improve process were discussed by the Sub Committee members and the City PWE was open to make changes in a phased manner.

IV. ISSUE ANALYSIS

ORGANIZATION / OPERATIONS / PUBLIC ENGAGEMENT

SUB-COMMITTEE

Sanjay Ram, Chair
Peck Boswell
Becky Edmondson
Jessica Jones
Calvin Speight
Ben Mendez
Brian Smith

Communication – Based on feedback, there is a definite opportunity for better communication. Elevating this to a Deputy Director position will convey to all stakeholders that “Communication” is being given the importance it deserves. It is recommended that this role focus on four (4) distinct areas –

- Communication with citizens – in general and specifically on projects with a focus on customer service
- Inter-Agency communications (with TxDOT, HCFC, METRO etc.)
- Media communications – utilizing the media as a resource in educating the public on infrastructure issues and not just during emergencies / problems.
- Internal / Business Communication –
 - Between PWE Divisions (“Division” by definition promotes “Us Vs. them”) and with other City Departments.
 - Communication with Mayor and City Council
 - Communication with Service providers and Customers.

Need for a Chief Operating Officer Type Role – Recognizing that PWE is a large, complex entity with multiple functions; there are significant demands and distractions on a daily basis for the PWE Director. Having a strong Executive Deputy Director driving day-to-day PWE functions would greatly help the PWE Director effectively address the strategic issues of PWE. An example of demands on time could be a waterline break that could / should be handled by line management. While this could be perceived as adding another layer of management, it would make a big difference in improving the effectiveness and efficiency of PWE. While the ultimate responsibility would reside with the PWE Director, the *recommendation* is –

- Director to focus on Policy, Strategic Initiatives, Public Engagement, Mega Projects, Inter-Agency initiatives and Long-Term Planning.
- Executive Deputy Director to focus on driving Day-to-Day Operations, CIP Project Delivery, and Routine PWE Functions.

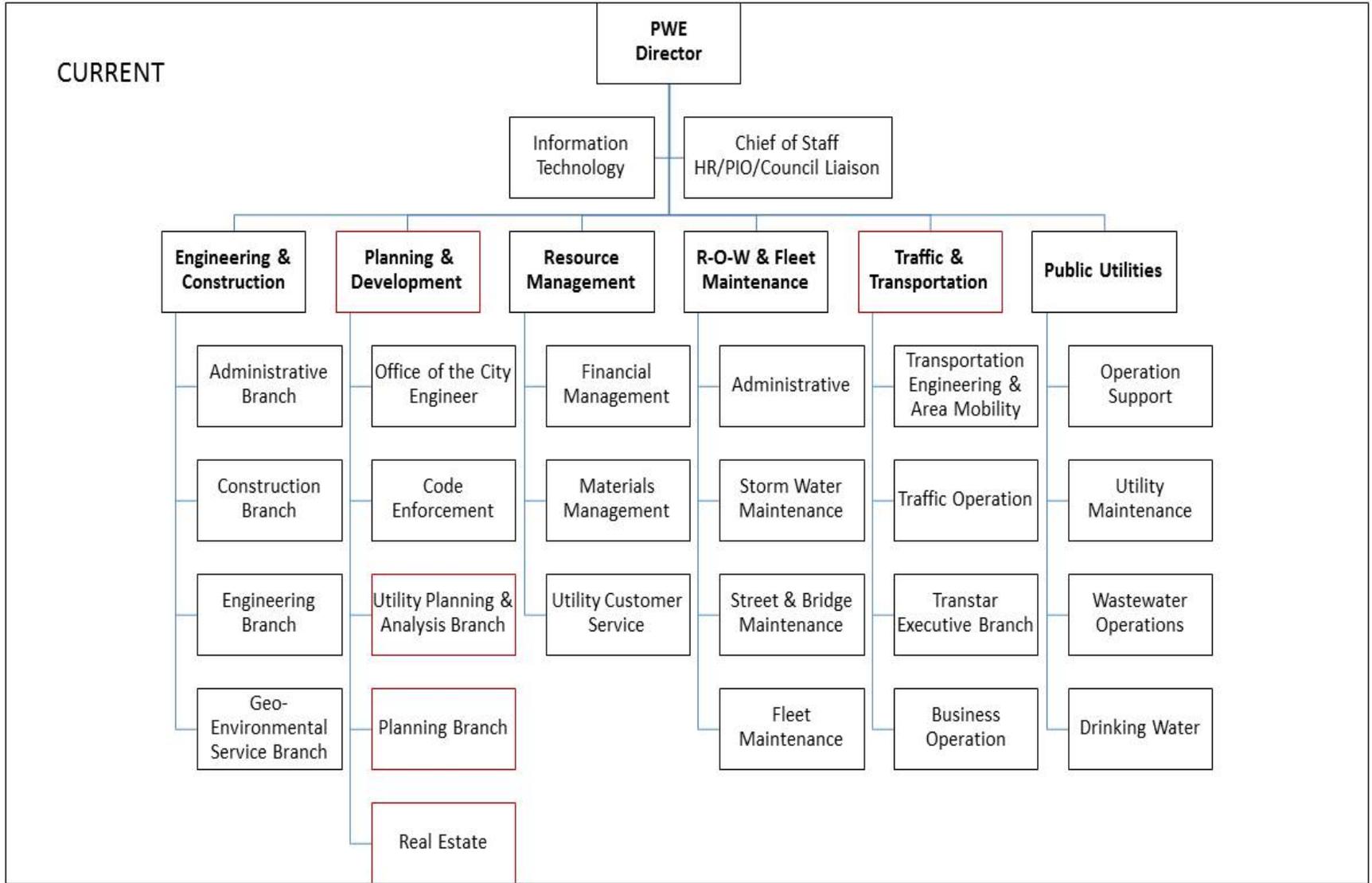
Planning & Permitting – Among the most public faces of PWE is the Permitting Group. A reliable and predictable process that is efficient and timely is critical from multiple perspectives including economic development. The current situation leaves a lot to be desired. Even the City’s CIP projects face an uncertain and uphill process, let alone private developers’ / citizens’ projects. The City has a Planning Department that formally housed the Permitting Group. A Planning & Development Division within PWE is currently responsible for Permitting. The *recommendation* is two-fold –

- Move the Planning function of PWE to more appropriate Divisions – Utility Planning under the Public Utilities Division and Infrastructure Planning (Roadway & Drainage) under Roadway & Drainage Division.
- The Real Estate Group under Planning & Development Division addresses two broad areas – Easement / Right-of-Way (R-O-W) and Joint Referral. The Easement / R-O-W function is better served under the Engineering & Construction Division and currently has a significant adverse impact on project delivery timeframes. The Joint Referral process is better served under Economic Development than under PWE.
- The above change allows for a singular focus for the Permitting/Development Division (under PWE) – to provide a consistent, predictable, reliable and timely permitting process. While moving the Permitting Group back to the Planning Department was considered, it is not recommended as there are multiple essential functions to the process that are inherent to PWE.

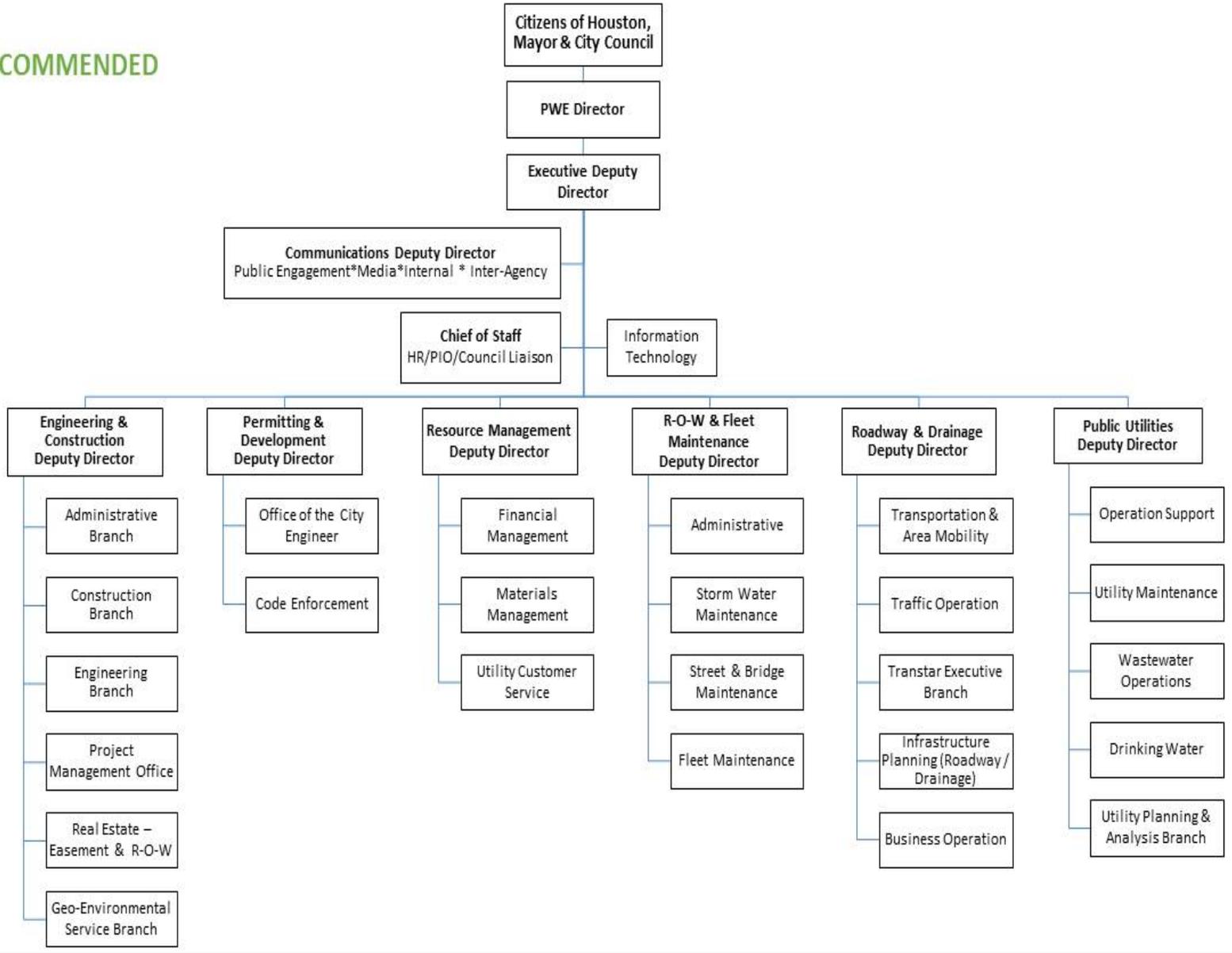
Mobility – Identified by Houstonians as a major problem facing the region, elevating this issue to the Mayor’s Office by means of a Mobility Commission is recommended. This position will coordinate mobility planning with PWE as well as with other agencies impacting regional transportation and mobility such as METRO, GCRD, Port of Houston, HCTRA, cyclists, pedestrians, parking, etc. The engineering and operation functions associated with roadway and drainage are to remain within PWE.

Project Delivery under Engineering & Construction Division – The timeframe for CIP projects to go from planning to design to construction can be improved. Having a “Project Management Office (PMO)” within ECD that drives project delivery could significantly enhance project delivery time frames and also benefit from the same personnel being involved in managing project delivery from start to finish.

The City Departments Involved in Implementing this Recommendation Would Include PWE & Economic Development (for Joint Referral). No changes in laws are anticipated to implement these recommendations. While the addition of an Executive Deputy Director Role and elevating Communications to a Deputy Director position require additional expenditure, there are enough efficiencies that can be gained elsewhere within PWE for these recommendations to be Expenditure Neutral & Efficiency Positive.



RECOMMENDED



IV. ISSUE ANALYSIS

PERMITTING SUB-COMMITTEE REPORT

SUB-COMMITTEE

Gary Mosley, Chair
Jon Deal
Marlene Gafrick
Eddie Gonzalez
Tony Gonzalez
Larry Hunt, P.E.
Jeff Santori

There is a general consensus among the building industry from interior remodelers, home builders and commercial builders that improvements can be made to plan review and inspections that will improve the quality of the review, reduce the review time and improve customer service.

Plan Review Issue

- *Recommendation 1* – Establish a quality of review standard for a set of plans. This in part can be accomplished by having the same plan reviewer on a set of plans and training on the code.
- *Recommendation 2* – Establish a maximum timeframe for each plan review group to achieve the maximum amount of times a set of plans will be within the review system.
- *Recommendation 3* – Streamline operations by eliminating bottlenecks and unnecessary steps, such as, expanding the eligibility of project going through “One Stop”, allowing interior remodels that are less than 25% of the building to bypass the Flood Permit Office or expanding a list of projects that can bypass the Planning Department. City construction projects that have been reviewed and approved by the Engineering and Construction should not be required to also go through the permitting process.
- *Recommendation 4* – Create a stakeholder committee that represents the building industry, such as, Greater Houston Builder’s Association, Restaurant Industry, Association General Contractors, Houston Real Estate Council, Gulf Coast Building and Trades and Building Owners and Managers Association. The purpose is to meet quarterly with the Deputy Director to discuss recommendations for improvements to plan review, permitting and inspections. An option is to explore expanding the Construction Industry Council’s duties and membership.

Inspections – There is inconsistency among inspectors on what meets the code. Work is built according to approved plans and must be redone and the customer must pay a tradesman to stay at a job site until the inspection is completed. This is gets expensive for a customer to pay hourly for a tradesman to wait all day for the inspection. The current notification process needs to be repaired and improved.

- *Recommendation 1* – Provide consistency in inspections through training and having the same structural inspector from the first structural inspection through the final inspection. Ideally it would be great to have the same four inspectors through the whole process. Randomly follow-up on inspectors to provide quality assurance on the inspections.
- *Recommendation 2* - Repair the inspection notification system that provides notice when an inspection will be in the morning or afternoon. Ideally, with a new permit system, customers would be given a 2 hour window.
- *Recommendation 3* – Allow outside inspections for foundation and pier on single family residential projects to eliminate duplication of city inspections when the foundation and piers are required to be engineered and sealed by a licensed engineer. This engineer inspects the foundation before it is poured. Other cities have eliminated their inspections when the foundation is inspected and certified by a licensed engineer.

Customer Service – The permit is buried within Public Works and Engineering. Employees need to be empowered to carry out their job duties that are responsive to customer service. Software improvements were promised with the 2009 fee increase that were not implemented.

- *Recommendation 1* – The Houston Permit Center and all of Building Permit review, approval and inspections should report to a Deputy Director whose primary responsibility is this program.
- *Recommendation 2* – Provide greater customer access to plan reviewers by establishing standards for returning phone calls and returning emails, such as, all phone calls will be returned within 24 hours.
- *Recommendation 3* – Establish a “Customer Liaison Group” that reports to the Deputy Director. This group is charged with the responsibility to resolve complaints, discrepancies and issues.
- *Recommendation 4* – Hold a series of workshops for customers to inform them of code changes and interpretations.
- *Recommendation 5* – The ILMS is an antiquated system that needs to be replaced. Determine the appropriate software that will improve the overall user experience that allows for the sharing of information between everyone in the permitting process and the customer.
- *Recommendation 6* – Consider reviewing the fees since the last fee analysis was several years ago. This fee increase received support from the permitting community to cover the cost of service and a new software system. To gain support for increase fees, there are many low hanging fruits that can be improved upon without a new system. Special attention should be paid to the staffing levels in the Health Department and Fire Department plan review groups. Their plan reviewers are also inspectors and as a result this causes significant delay in getting plans reviewed.

IV. ISSUE ANALYSIS CONTRACTS REPORT

SUB-COMMITTEE

Ravi Yanamandala, P.E.

Tony Council, P.E.

Jeff Collins, P.E.

Pat Frazier

Carlos F. Villarreal

Epi Salazar, P.E.

Professional Services Procurement

Level of Effort – Many prime design consultants and sub consultants (including geotechnical, surveying, environmental, etc.) feel that improvements need to be made in defining scope and effort to make it fair and reasonable process per the Texas Engineering Procurement Act. This will benefit local, small and MWDBE firms as it will allow more consistency and understanding between PWE staff and consultants.

- *Recommendation 1* - A series of workshops with prime consultants, sub consultants, and the City of Houston staff to resolve these issues. These workshops are expected to develop consistency, understanding and forge effective partnerships between PWE staff, consultants, and sub consultants.

Procurement Schedule – Current procurement of all CIP selections during one time of the year results in difficult staffing demands for PWE and consultants and delays during contract negotiations, award and project execution.

- *Recommendation 1* – Consider increasing selection of prime firms based on PWE 100 Qualification Statements. After selection, prime firms would submit a list of potential sub consultant firms for concurrence by the City. This selection method is similar to Harris County Engineering Department procurement model. This method also eliminates the current requirement to prepare and submit additional qualification statements. This will streamline the solicitation process.
- *Recommendation 2* – An alternate model recommended is to procure professional services 4 times/year. TxDOT utilizes this model to procure professional services. This model offers adequate review time for staff.

The above procurement alternates would expedite selections, contract, legal processes and award times. These alternates will also enable firms to better plan which projects to pursue and to more efficiently allocate resources. This will also reduce overload in PWE, legal and other related city departments by staggering them throughout the year.

- *Recommendation 3* – Another method to improve PWE contracting outcomes is to evaluate a program geared towards Small Businesses (based on revenue) as prime contractors.

Construction Procurement

Workforce Development Opportunities - Current contracting practices do not encourage or facilitate opportunity through responsible contracting to connect people most in need to on the job training and a career in construction. Responsible contracting can be achieved through ordinances, laws, regulations or administrative policies.

- *Recommendation 1* – Pre-qualify contractors that utilize “earn while you learn” registered apprenticeship training programs with the Department of Labor (DOL) (insurers oversight). Appoint a point person at the city or partner with workforce solutions to assist SMWDBE contractors with job fairs to hire from designated zip codes and conduct workshops and training to meet Section 3 certifications and requirements.
- *Recommendation 2* – Set goals around a percentage of workforce on public construction projects. This local targeted workforce should include potential employees that are registered DOL apprentices, veterans, second chance workforce and people from zip codes with the highest unemployment similar to Housing Authority Section 3 Requirements (Ex. Seattle Ordinance)

Improving Contracting Process - Current process should have greater transparency, accountability and standards on the front end to avoid change orders and substandard work. The pre-qualification process is designed to reduce safety and prevailing wage violations, and ensure that publicly funded construction contracts go to firms with strong safety and quality records.

- *Recommendation 1* – Pre-qualify and only allow contractors who meet minimum standards to bid. Qualification criteria to include:
 - No wage / hour violations in past 3 years
 - Provide OSHA 10-hour safety training
 - Pay prevailing wages and offer health insurance or pay into the Contractor Responsibility Fund per Executive Order 1-7 Revised (Jan. 2012)
 - Provide all benefits to the entire workforce (e.g. social security, unemployment insurance)
 - Comply with federal and state law, and have no history of being debarred from a contract in the last 5 years

IV. ADDITIONAL ISSUES

A. Flooding Conflict

The Houston region is regulated by two local entities charged with relieving flooding. The City of Houston has the mission of removing structures and roadways from flooding conditions. The Harris County Flood Control District has the mission of managing flows in existing channels and providing channel improvements in limited areas. The net result of these 2 missions is conflict. The city is spending millions of dollars to design and construct drainage facilities that are subsequently restricted to provide only partial benefits because HCFCD has no capacity in the receiving stream. At a time of precious public resources, the inefficient use of new facilities should not be allowed to continue.

Discussions were held with PWE Director Dale Rudick and HCFCD Director Mike Talbott. Both agreed that the coordination between the agencies only addressed immediate projects. No joint planning or funding coordination is taking place. The typical city storm sewer project is designed as if the receiving stream could receive increased runoff. Since HCFCD has no additional capacity in most locations, a restrictor is placed in the outfall to keep flows at original rates. Those restrictors remain in place for decades. The net effect is that the city is spending construction dollars that may not provide any benefit.

- **Recommendations** - Resolution of this conflict cannot be handled at the staff level. A meeting should be held between Mayor Turner and County Judge Emmett to discuss eliminating the cross purposes of the city and county. This meeting should include Directors Rudick and Talbott plus one or two recognized drainage experts from the community. Two major issues should be addressed.
 - Joint Planning – HCFCD has created master plans on a watershed basis. PWE has the CIP which is not developed with a long-range plan in mind. Both entities should be tasked with creating a planning methodology that includes both storm sewer and channel improvements. With a proper plan in place, PWE can build storm sewers that can fully discharge into streams, and HCFCD can build channel improvements where storm sewer projects are anticipated.
 - Joint Funding – Neither entity is fully funded for the known flooding problems in the region. A joint funding vehicle should be considered to maximize the benefits of constructed facilities. One idea is to have the city provide some ReBuild Houston funds to the county to build channel capacity to handle critical storm sewer projects. In return, the county might agree to an equivalent amount to construct regional detention capacity needed for other city projects.

The result will be that flooding will be reduced at a more rapid pace.

IV. ADDITIONAL ISSUES

B. Master Plan

One issue that makes it difficult to measure the effectiveness of PWE activities is the lack of a standard to achieve. Evaluating activity without an agreed goal is an ineffective method to determine the value of an organization. One method to provide a means of setting goals is the creation of master plans for the major categories of infrastructure. The city could create master plans that establish minimum and preferred conditions for streets, drainage, water, and wastewater. Priority recommendations would be established that cover long-term improvements needed to achieve the conditions across the entire city. The recommendations from the master plans could become an integral part of the CIP process and ReBuild Houston. Completed master plans could be added to the PWE web site for review and monitoring of progress. Citizens and elected officials would have a better means of understanding the capital, calendar, and project plans of PWE.

- **Recommendations**

To our knowledge, PWE has never operated under a mandate to achieve specific goals in infrastructure master plans. Implementation of such plans has been discussed for decades. We recommend that the city begin to develop the 4 listed master plans. They could be developed one at a time to spread the cost. With current city budget problems, we acknowledge that development of the plans is an additional cost. However, the city owns and operates infrastructure systems that are valued in the billions of dollars. Creating plans to maintain and improve these critical systems seems should not be controversial. The benefit of transparency and accountability should be well worth the effort.

V. RESOURCES

ORGANIZATION / OPERATIONS / PUBLIC ENGAGEMENT SUB-COMMITTEE

- PWE Briefing with Director Rudick, P.E.
- Input from Jimmie Schindewolf – former PWE Director
- Input from ACEC Houston
- Input from Mark Kosmoski – former PWE Staff
- Org. Structure of Public Works in other large cities with a strong mayoral form of Government
- Current organization Structure including PWE & Division-specific responsibilities
- Council briefing on PWE
- 2010 Mayoral Transition Report

V. RESOURCES

PERMITTING SUB-COMMITTEE

- Greater Houston Home Builders – Bradly Pepper
- Houston Real Estate Council - Lawrence Kagan, Kagan Realty Investors and John Rentz, Boxer Properties
- Permit Runners for Commercial and Interior projects
- BOMA -Tammy K. Betancourt, Executive Vice President and Chief Executive Officer
- Kasia Hickey, Creole Designs, LLC
- ARA – Organization Vision for the Houston Permitting Center
- Public Works and Engineering – Dale Rudick, Mark Loethen, Mark McAvoy, Earl Greer and Rudy Moreno

V. RESOURCES

CONTRACTS SUB-COMMITTEE

- PWE Briefing with Director Dale Rudick, P.E.
- Sub Committee Meeting with Director Rudick, P.E. and Staff
- Input from ACEC Houston
- Input from Texas Council of Engineering Laboratories (TCEL)
- Online Data from the City of Houston Office of Business Opportunity
- City of Seattle Legislation Information Services / Council Bill Number 118282 / Ordinance Number 124690
<http://clerk.seattle.gov/~scripts/nph-brs.exe?s1=&s3=118282&s4=&s2=&s5=&Sect4=AND&l=20&Sect2=THESON&Sect3=PLURON&Sect5=CBORY&Sect6=HITOFF&d=ORDF&p=1&u=%2F~public%2Fcbory.htm&r=1&f=G>
- EXPLORING TARGETED HIRE / An Assessment of Best Practices in the Construction Industry / UCLA Labor Center (Used by the City of Seattle)
<http://www.seattle.gov/contracting/docs/labor/TargetedHire.pdf>
- Houston Housing Authority for Assistance with Section 3 requirements
- Mr. John Blount, P.E., Harris County Engineering Dept., County Engineer
- Ms. Gale Morea, P.E., TxDOT Professional Engineering Procurement Services (PEPS Division)