

**2004 INNOVATIONS AWARDS PROGRAM
Application Form**

1. Program Name: Construction Permitting Business Improvement Program
2. Administering Agency: Iowa Department of Natural Resources, Air Quality Bureau
3. Contact Person (Name and Title) David Phelps, Supervisor, Construction Permit Section
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9. Please provide a two-sentence description of the program.

The process improvement event analyzed the air quality section to identify and eliminate non-value time and hand-offs in the construction permitting process and enhanced customer service through the use of more user-friendly application forms, pre-application hotlines, welcome calls and site visits. Unnecessary steps, requests for information, delays and procedures were eliminated in order to reduce the time from receipt to permit issuance from 62 days to 11 days.

10. How long has this program been operational (month and year)? **Note: the program must be between 9 months and 5 years old on May 1, 2004 to be considered.**

The Kaizen event was held from 6/23/03 through 6/26/03. The new process developed began 6/30/03 and has been running since. On May 1, it will have been operational 10 months.

11. Why was the program created? (What problem[s] or issue[s] was it designed to address?) The Iowa Business Council identified the time to receive air construction permits as a delay to business expansion. Permits are required to be issued prior to the beginning of construction. Speeding up the process will allow industry to add new processes, hire more employees and modify business more quickly to meet changing business demands.
12. Describe the specific activities and operations of the program in chronological order.

Pre-event training on how Kaizen works, team selection, followed by data collection on the process to be improved began shortly before 6/23/03. During the one-week event, the process (construction permitting) process flow was analyzed, time studies were conducted, and changes were proposed and made. The new process flow was instituted the following Monday 6/30/03. Staff engineers were assigned to review and issue permits for those classified as standard projects (80% of the workload). The Hotline phone was made operational, scripts written for the Hotline and for the welcome calls to be made on each project. A backlog team was formed and projects that were in-house were funneled to them. Offices were relocated; walls lowered for the backlog team and the incoming projects were organized. 7/23/03 was the first report-out on the leadtimes for the new process. Minor changes made to the process the last week of August, reflecting the change made to the designation of complex projects. 60- and 90-day report outs were made to the Business Hot Team as well as a 6-month report. Data were continuously tracked and analyzed during this time to evaluate further potential improvements.

13. Why is the program a new and creative approach or method?

Business Improvements processes such as this one (lean business, Kaizen, six sigma) have not been applied to government operations previously. They are typically applied to tasks that are repetitive in nature (typically production line, routine operations), however any process that has an identifiable process flow can be analyzed to determine if there is wasted time and steps that if eliminated, can speed the process. It was emphasized that the same level of review would still take place, assuring environmental protection.

14. What were the program's start-up costs? (Provide details about specific purchases for this program, staffing needs and other financial expenditures, as well as existing materials, technology and staff already in place.)

\$25,000 consultant fee
\$15,000 office changes
\$1,000 technology, miscellaneous purchases
staff (13) already in place as well as computers/offices

15. What are the program's annual operational costs?

There are no additional expenses on an ongoing basis. No additional staff was needed. It is estimated that the equivalent of 2 FTEs can be used for activities other than construction permitting on projects for which time and/or resources had not be found.

16. How is the program funded?

The Iowa Business Council paid the original consultant fees, the startup costs were absorbed by the agency operating budget. Additional funding was not needed nor are there any ongoing costs. (Normal staff funding comes from three sources: state General Fund, EPA grants, and Title V fees.)

17. Did this program require the passage of legislation, executive order or regulations? If YES, please indicate the citation number.

No.

18. What equipment, technology and software are used to operate and administer this program?

The only new equipment purchased were two portable phones for the Hotline. In addition, temporary office rearrangements were made. Each review engineer already had his or her own personal computer and office equipment.

19. To the best of your knowledge, did this program originate in your state? If YES, please indicate the innovator's name, present address, telephone number and e-mail address.

Yes. The Iowa Business Council and the IDNR adapted the Kaizen process to the construction permit section.

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20. Are you aware of similar programs in other states? If YES, which ones and how does this program differ?

No. Many states have recently contacted us to find out more about the process.

21. Has the program been fully implemented? If NO, what actions remain to be taken?

The process was fully implemented and operational on 6/29/03; however, it is an ongoing improvement process that continually looks for other opportunities for improvement.

22. Briefly evaluate (pro and con) the program's effectiveness in addressing the defined problem[s] or issue[s]. Provide tangible examples.

Pros:

Leadtime for permit issuance dropped from an average of 62 days to 15 days (75% reduction)

Permit output went from 8 per day to 11.1 per day (38% increase)

Information requests went from 1.3/permit to 0.67 (50% decrease)

Staff availability for other projects increased 20%

Cons:

1-2 week disruption in workflow during the event and during the transition. Staff retraining on the new process took time from the application review time.

Coordination with other sections was necessary to prioritize construction permitting activities.

Once backlog was complete, offices were returned to previous configuration.

Staff available for more complex projects was reduced.

Offices of senior staff conducting peer reviews of draft permits were moved to allow better access.

23. How has the program grown and/or changed since its inception?

Companies from whom additional information was needed were contacted more frequently and by phone (instead of letter) to speed response.

Other sections from which information or action was needed refined their processes to help meet goals.

Data tracking was started after two months to analyze trends, monitor output, and identify continuing obstacles to permit issuance. Analysis continues on this data to find additional possibilities for improvement.

24. What limitations or obstacles might other states expect to encounter if they attempt to adopt this program?

Other than the obvious financial costs involved with the process, the only obstacles are getting the time and commitment from management to proceed with the event and make the changes developed through the event. The events can take up to two weeks of staff time. It is necessary to make changes immediately and have the authority to spend the money and resources to make those changes. The impacts on staff must be clearly communicated prior to the event. There could be pay grade and union issues depending on how the other states staffs are organized.

Add space as appropriate to this form. When complete, return to:

CSG Innovations Awards 2004

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DEADLINE: All original applications must be received by April 20, 2004, to be considered for an Innovations Award for 2004.

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