Lean Review of the Development Review Process

City of Markham

Council Presentation
October 31, 2023

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KPMG has no present or contemplated interest in the City of Markham nor are we an insider or associate of the City of Markham. Accordingly, we believe we are independent of the City of Markham and are acting objectively.

Limitations

The analysis performed were limited in nature and extent, and the analysis and procedures will not necessarily disclose all matters about the City of Markham's functions, policies and operations, or reveal errors in the underlying information. Our procedures consisted of inquiry, observation, comparison and analysis of City-provided data and information. The following findings reflect information limited to what was collected in stakeholder conversations throughout September 2022 to December 2022, as well as review of relevant documentation and data provided by the City. Stakeholder feedback was collected via in-person and virtual engagement sessions through a variety of in-person tactics and virtually by using KPMG's Microsoft Teams, respectively. This analysis reflects a point in time view, and does not take into account ongoing organizational change and evolution. KPMG did not independently verify the accuracy and completeness of information received.

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Project Overview

Project Overview

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Project Overview & Objectives

The City of Markham engaged KPMG to undertake a Lean review fourteen of the City's development application processes. The key objectives of this review were identified by the City from the outset with a focus on Lean modernization by:

- Mapping existing relevant processes and procedures.

- Engaging internal and external stakeholders.

- Identifying improvement opportunities in the processes by using the eight wastes of Lean methodology.

- Measuring the three Lean "How's" for key process steps – how well, how fast, how often – and initially quantifying the opportunities.

- Identifying leading practices and insights from comparable municipalities regarding development application review.

- Identifying strengths and challenges through a Lean lens

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Project Scope

There were 14 application types within Scope:

- Official Plan Amendment;
- Zoning By-law Amendment;
- Plan of Subdivision;
- Plan of Condominium;
- Site Plan;
- Minor Variance;
- Consent;
- Heritage Site Plan;
- Heritage Permit;
- Townhouse Siting;
- Site Alteration;
- Draft Plan Extension;
- Building Permit Application;
- Building Permit Inspections

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Approach & Methodology

Approach and Work Plan

Phase 1: Planning & Project Initiation	Phase 2: Current State Assessment & Recommendations	Phase 3: Recommend and Report

Objectives

Align on project plan, schedule & objectives, develop a strong foundation.	Map current processes; identify strengths, challenges, and opportunities for improvement.	Synthesize work into a final report.

Activities

—Facilitate project kick-off	—Review and analyze documents and data	—Draft and present Future State Report
—Stand up project governance, key roles, and reporting structures	—Develop understanding of Voice of the Customer	—Review Future State Report with City Staff and Executive Leadership Team
—Confirm project objectives and scope	—Evaluate current as is process	—Deliver Future State Report
—Develop organizational change management workbook	—Conduct needs assessments workshops and interviews	—Present to the Development Services Committee (DSC) and Development Industry
—Identify documents & data	—Undertake benchmarking exercise	
—Develop stakeholder engagement plan	—Develop gap analysis	
—Finalize Workplan and Project Charter	—List improvement opportunities	
	—Develop future state process maps	
	—Identify problem areas, value add, and non-value add services	

Extensive Internal & External Stakeholder Engagement

From September to December 2022, KPMG consulted with over 25 internal stakeholders and gathered 360-degree stakeholder feedback through Voice of the Customer consultations. This comprehensive assessment covered key touchpoints in the development review process and is based on five primary sources of information. **The findings are based on these five primary sources of information:**

| Industry Engagement	Staff Engagement	Document Review and Data Analysis	Application Process Mapping	Industry Survey
25+ external Stakeholders (engineers, planners, consultants), discussing opportunities and strengths	30+ hours of consultation with more than 25 City staff representing different job functions	210+ documents reviewed and an analysis of available data.	14 application types have been mapped through workshops	Industry survey which received 75 responses
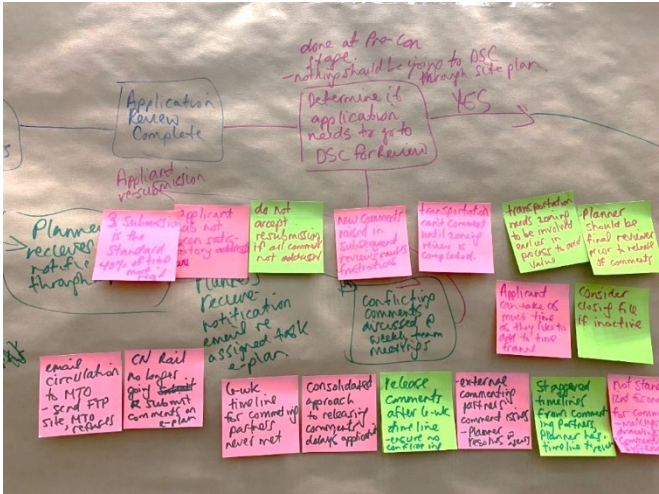
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Key Findings

Core aspects are working well, but there is room for improvement

Throughout the consultations with internal and external stakeholders, there were several complimentary aspects captured as they relate to the caliber of staff with the City of Markham. At a high-level, some of those strengths are depicted below:

Fast communication

Customer focused

Helpful and prompt staff

Timely informing applicant of specific timelines

Solution oriented

Great connection with staff

ePLAN is helpful for small applications and few drawings

Best senior engineering staff

Senior planners provide update calls
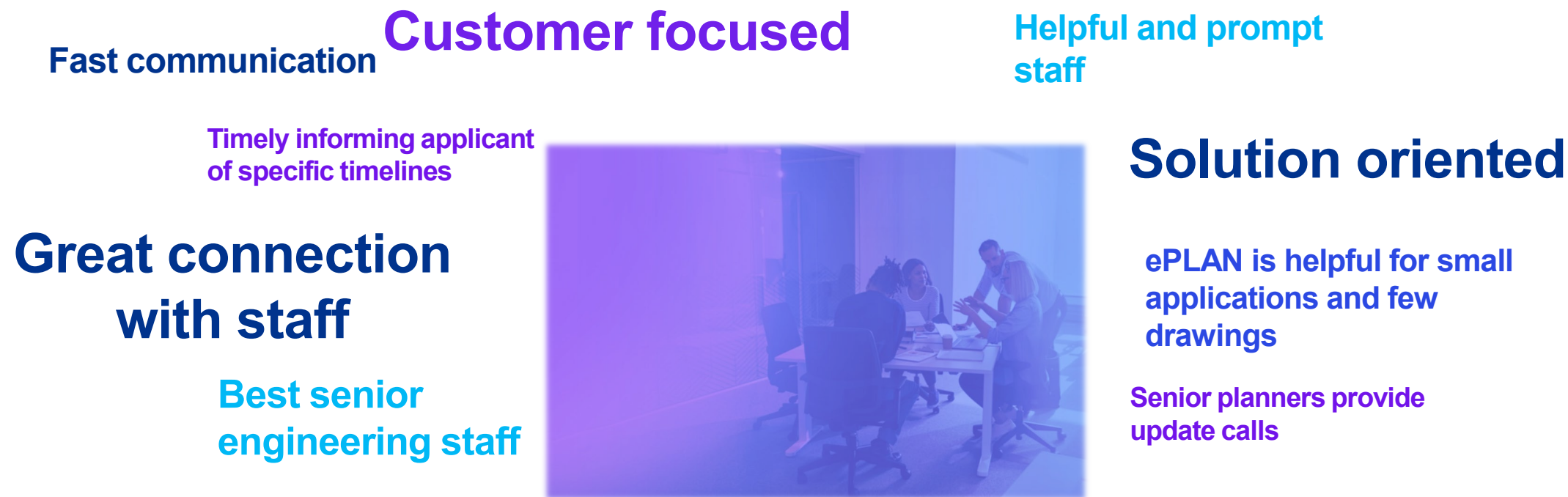
Summary of Challenges

We identified key challenges across the development application review process. Many of the challenges listed below were applicable to more than one of the 14 types of application that were reviewed and mapped with stakeholders as part of this project scope.

Pre-consultation and Application Submissions

- 15-day deadline to provide checklist is challenging to meet, especially from external agencies, e.g., York Region
- External agencies are not always in attendance
- Process inconsistencies across districts e.g., checklists via email, ePLAN or AMANDA
- Processes can stall when staff in different divisions do not agree on approach

Circulation and Commenting Process

- Applicants often require hand-holding during the application process
- Applications not always up to standard
- Commenting timelines are not met
- External commenting partners do not use ePLAN (MTO and CN Rail)
- All internal teams have the same 6-week deadline
- Limited licenses for software
- Limited agenda space in Council Meetings
- Multiple levels of approval are required for DSC report

Stakeholder Engagement and Approvals Process

- Site plan endorsement with conditions causes delays
- Frequent escalation from developers
- Lack of communication on application status
- Limited staff resources (1 GIS staff)
- Workflows in ePLAN are not flexible
- Inconsistency between completed construction and submitted plans, resulting in reapproval
- Lack of clear procedures, e.g., staff not always aware of OPA request form

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Recommendations Overview

Lean Approach Overview

KPMG's review was completed using a Lean methodology and approach. Our work was built on existing current state process maps and work-flows, identified pain points, challenges, and areas of opportunities within the context of the five Principles of Lean and the eight wastes.

Five Principles of Lean

1. **Voice of the Customer –** the expectations and needs of the stakeholders and what adds value from their perspective. Understanding the voice of the customer will help identify opportunities to remove waste in any process.

2. **Understand your Process –** having a thorough and complete appreciation of the current state processes and understanding which process steps add value and where waste may be present.

3. **Create Flow –** inefficiencies can sometimes be hidden, this is why it's important to identify 'wastes' in order to create improvements and flow.

4. **Establish Pull –** many processes are pushed or "given" to the next user. This creates many forms of waste when the next area or person may not be ready to receive it - causing excess inventory and backlogs.

5. **Pursue Excellence –** Lean thinking is rooted in the continuous quality improvement philosophy. Lean is not a one-time event but rather a journey to continually improve our processes and always strive to supply the customer with value, from their perspective.

While reviewing the processes for the 14 application types, the Lean analysis focused on identifying opportunities within the following contexts:

- **Providing solutions to customers needs**
- **Identifying and eliminating process waste**
- **Redeploying resources into value-added activities**
- **Reduction or elimination of defects**
- **Improving process flows**
- **Doing necessary tasks**
- **Continual improvement**
- **Improving quality at the point of service**

Recommendations for Improvements

Building on the findings from our Current State analysis and the Prioritization Working Group sessions, 18 recommendations were identified and validated with leadership and grouped into four key opportunity areas below:

Intake

Place greater emphasis on the process for review of application completeness during application pre-screen at Intake to ensure that requirements are met and applications are prioritized accordingly.

Circulation and Commenting

Department review and commenting tasks during circulation comprise up to 80% of staff time spent adding value to development application review and processing.

Approvals

Understanding delegation of authorities for approvals is vital to a streamlined process, and ensuring the relevant approvals are appropriate will contribute to efficiencies for Markham at the final approval stage of a process.
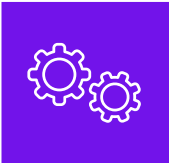
ePLAN

Fully utilizing and understanding ePLAN capabilities is vital for successful implementation of opportunities. Several of the previous themes all feed into ePLAN capabilities to fully implement.

Application Intake Recommendations – Largest impact on processing days

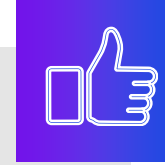## Application Intake and Workflow Recommendations

- Reduce the number of documents required at submission to only mandatory documents required for decision

- Use ePLAN template submission forms to reduce errors and eliminate re-work

- Provide a summary of application deficiencies in ePLAN and investigate system capacities to auto-generate an email notification to applicant with summary

- Track application deficiencies at pre-screen stage to determine what are the most common deficiencies and to prioritize opportunities to resolve those challenges with applicants

- Establish minimum design standards (similar to Development Engineering and Urban Design minimum standards) for application submission so applicant can build plans and drawings based on these requirements

- Develop and implement a workload management system for Development Technicians to reduce task lag time;

- Ensure robust and up to date training program and SOPs for Development Technicians, and applicable supervisors

- Develop a process to triage applications based on complexity/effort/building objectives etc., rather than relying on first in first out (FIFO) mechanism so that application process time relative to application complexity

- Explore adding a feature to ePLAN that will generate notification with due dates to Development Technicians and Supervisors

City Progress on Recommendations in 2023 (to address Bill 109)

We understand that staff moved ahead with implementation for some of the recommendations to address the July 1, 2023 start of fee refunds, if applications are not processed within prescribed timelines from Bill 109.

- New two business service level established for Pre-screen tasks

- While designing the new processes (Municipal Services & Parkland Dedication) specific checklists have been created to list all the doc/info that will be needed for the internal reviews

- Dashboards have been created to monitor the duration of tasks

- A layer of extra supervision has been added to oversee the workload

- SOP project for all development applications from A to Z has been initiated

- Currently analyzing a single point of contact to monitor the overall flow of the applications and their progress by closely monitoring individual tasks

Commenting and Circulation Recommendations – Largest impact on processing days

## Commenting and Circulation Standardization, Sequence and Timelines Recommendations

- Supply applicant with comment matrix identifying deficiencies, and require applicant to complete matrix to address each comment/issue and only accept resubmissions when all comments have been addressed

- Develop pick-lists for comments and standardize commenting to use Change Mark feature

- Identify and standardize what each department is reviewing during each circulation to eliminate duplicative work

- Set standing meeting with external commenting agencies to discuss active submissions requiring their input

- Standardize circulation criteria for each application type and build into system; Establish standardized tier 1 circulation and tier 2 sub-circulation to accommodate dependent commenting cycles

- Allocate time for lead planner to act as project manager to review and address conflicting comments (i.e., spearhead comment resolution), prior to returning application to applicant

- Stagger the review and commenting timelines for key departments earlier, rather than circulating all at once - e.g., zoning needs to be involved earlier in the process to add value, same request of Parks - ePLAN has capabilities to allow a reviewer to create a sub-circulation

- Enforce no late stage application resubmissions (beyond 2 resubmissions) unless approved by Manager/Supervisor

City Progress on Recommendations in 2023 (to address Bill 109)

- Engineering project for identifying and standardizing the review items is in progress and in final approval stage

- Roles, responsibilities and review items for all internal reviewers for the new MS & PD have been clearly defined

- Only 1 review cycle has been established for SPC, OPA, ZBA applications

- New processes from Bill 109 addresses many of these recommendations for SPC, OPA, ZBA

ePLAN Recommendations
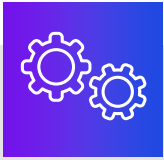
ePLAN Opportunities

- Provide staff with more robust training of all ePLAN capabilities and identify ePLAN champions within each team to act as dedicated resource for training and answer related queries.

- Require use of standardized workflows and procedures within ePLAN and require all applications types to be submitted through ePLAN system.

- Identify one management level ePLAN champion who understands the system and can make decisions in collaboration with the Process Administrators.

- Standard operating procedures for ePLAN sitting in 'draft' form should be approved and implemented.

- Develop procedures to close workflow loops in order to preserve data integrity and facilitate reporting

- Reconfigure workflows and ePLAN inputs as required to enable efficient means of data collection and reporting and minimize manual manipulation of data.

- Create ePLAN dashboard to provide line of sight into lifecycle of applications including Lead time, Cycle time, and Process time.

- Legal to be provided with access to ePLAN to enable line of sight into status of applications

- Update ePLAN to include applicant owner and consultants on application related notifications to improve communication
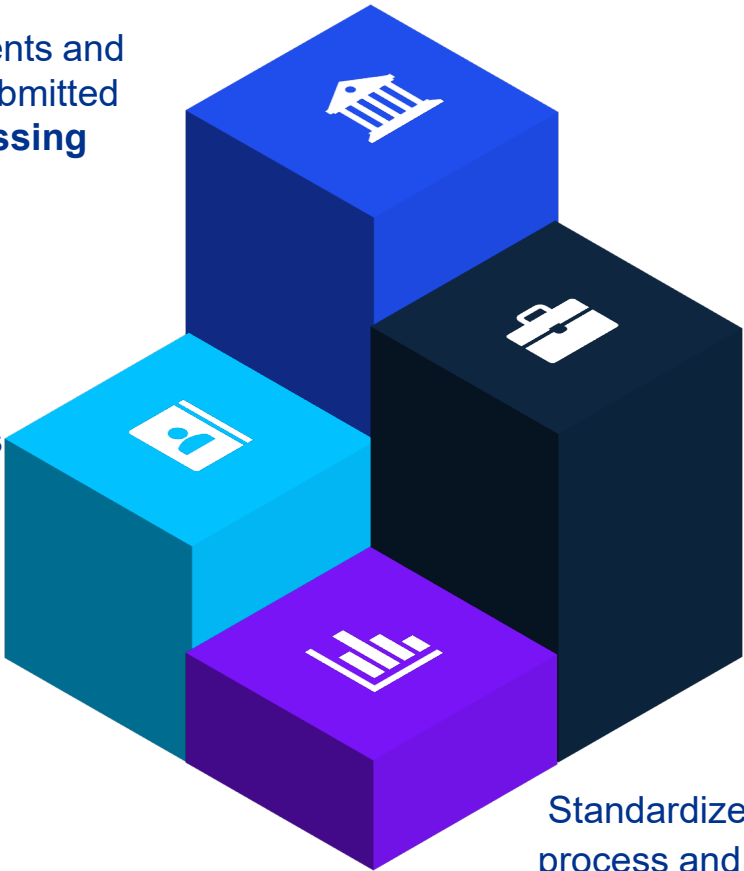
Estimated Savings from Recommendations

KPMG utilized processing hours from data to determine average annual processing hours savings. The relevant data is based on the total number of applications in the data set of 1,409 as well as the total number of completed applications in the data set, of 539. KPMG used these numbers to determine average annual averages for calculation of total savings as demonstrated below.

Adjust submission requirements and require all applications be submitted using ePLAN = **9,565 processing days saved annually**
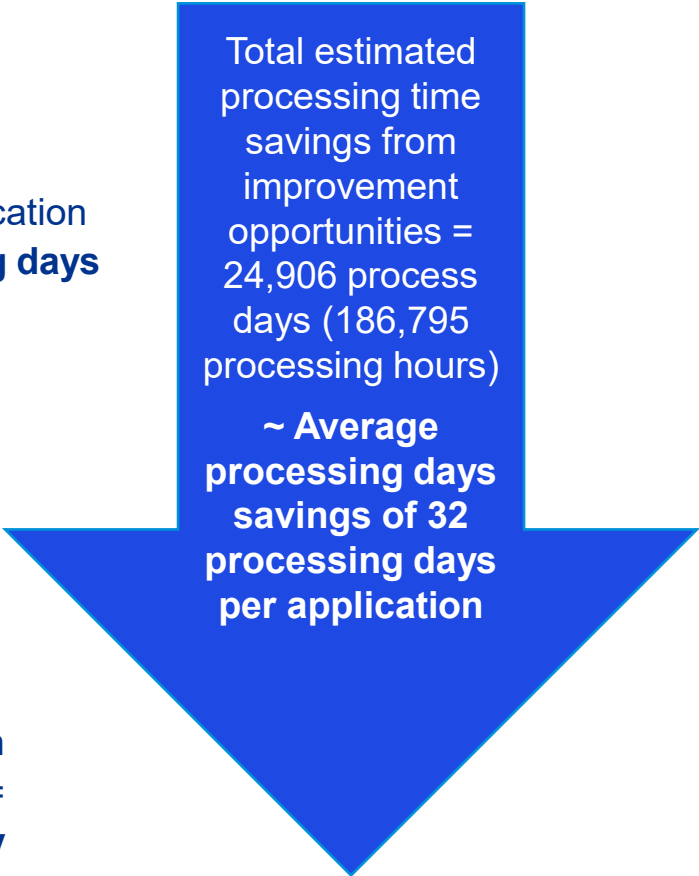
Streamline intake process and reduce pre-screen processing time = **5,519 processing days saved annually**

Eliminate lag time at application intake = **7,485 processing days saved annually**

Processing Days = Total number of days per year that applicants no longer have to wait .

Standardize commenting and circulation process and department review criteria = **2,337 processing days saved annually**

Total estimated processing time savings from improvement opportunities = 24,906 process days (186,795 processing hours)

~ Average processing days savings of 32 processing days per application

Thank-You!

KPMG

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