Minutes – Executive Policy Committee – November 28, 2007

REPORTS

Minute No. 50 **Red Tape Commission, Recommendation 10 – Audit-based Model for Inspection and Regulation for non-professionals – Manitoba Home Builders Association**
File GG-5

EXECUTIVE POLICY COMMITTEE DECISION:

The Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service, namely:

1. That the Planning, Property and Development Department work with the Manitoba Home Builders Association in the creation of a limited self-inspection and defect correction certification program: Builder Certification Program based on an Spring 2008 implementation timeframe.

2. That a pilot program be offered to an agreed upon and limited number of Manitoba Home Builders Association builder members, with the potential for expansion to all members in 2009.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

DECISION MAKING HISTORY:

Moved by Councillor Swandel,

That the recommendation of the Winnipeg Public Service be concurred in.

Carried

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On March 22, 2006, the Executive Policy Committee directed the Chief Administrative Officer to prepare and forward reports on all remaining recommendations of the Red Tape Commission in an expedited manner, in a manner reflecting a list of priorities.

RE: Red Tape Commission Report: Recommendation 10 – Audit-based model for inspection and regulation for non-professionals

FOR SUBMISSION TO: Executive Policy Committee

ORIGINAL REPORT SIGNED BY: Acting Director of Planning, Property and Development

REPORT DATE: November 8, 2007

RECOMMENDATIONS:

1. That the Planning, Property and Development Department work with the Manitoba Home Builders Association in the creation of a limited self-inspection and defect correction certification program: Builder Certification Program (BCP) based on an Spring 2008 implementation timeframe:

2. That a pilot program will be offered to an agreed upon and limited number of Manitoba Home Builders Association (MHBA) builder members, with the potential for expansion to all members in 2009.

3. That the proper officers of the City do all things necessary to carry out the intent of the foregoing.

Report Summary

Key Issues:

- Recommendation #10 provides an opportunity to expand the Department's improvement initiatives to benefit customers in the non-professional new home-building market (i.e. individual MHBA homebuilders).
- In response to the goal and intent of Red Tape Commission Recommendation #10, the Department proposes the following tangible improvements based on a Spring 2008 implementation timeframe:
    - Creation of a limited self-inspection and defect correction certification program: Builder Certification Program (BCP) that will:
        - Reduce the number of re-inspections.
        - Reduce delays associated with re-inspections.
        - Promote and facilitate training.
        - Recognize the professionalism and excellent working relationship with the industry.

- A pilot program will be offered to an agreed upon and limited number of MHBA builder members, with the potential for expansion to all members in 2009.
- Once the BCP designation has been awarded, the builder will no longer require re-inspections of deficiencies noted by the inspector during all-trades and rough-in inspections.
- An audit program will apply to subsequent inspections to confirm that deficiencies have been corrected.
- Sub-recommendation 10.2 promotes the idea of allowing some outside agencies that regularly work on City property or roads to have the work inspected on an audit basis. Given the complexities and numerous agencies involved, the Department proposes to first concentrate on the implementation of the Builder Certification Program and deal with sub-recommendation 10.2 in a later phase.
- The Department has proposed to use Red River College as the course provider to offer the training, utilizing external trainers and charge for the course on a cost recovery basis.
- There may be some additional costs associated with the implementation plan as proposed, which may include incremental investments in the administration of the program.

Implications of the Recommendation(s):

General Implications

( ) None

(X) For the organization overall and/or for other departments

(X) For the community and/or organizations external to the City

( ) Involves a multi-year contract

Comment(s):

- Recommendation #10 provides an opportunity to expand the Department's improvement initiatives to benefit customers in the non-professional new home-building market (i.e. individual MHBA homebuilders).

Policy Implications

( ) No

(X) Yes

Comment(s):

- This report recommends a pilot program will be offered to an agreed upon and limited number of MHBA builder members, with the potential for expansion to all members in 2009.

Regulatory Implications

( ) None

(X) Eliminates or reduces regulatory impact

( ) Proposes regulatory impact

Comment(s):

- This Report recommends creation of a limited self-inspection and defect correction certification program: Builder Certification Program (BCP) that will:
    - Reduce the number of re-inspections.
    - Reduce delays associated with re-inspections.
    - Promote and facilitate training.
    - Recognize the professionalism and excellent working relationship with the industry.

Environmental Implications

(X) No

( ) Yes

Comment(s):

Human Resources Implications

(X) No

( ) Yes

Comment(s):

Financial Implications

(X) Within approved current and/or capital budget

( ) Current and/or capital budget adjustment required

Comment(s):

Report

REASON FOR THE REPORT:

On March 22, 2006, the Executive Policy Committee directed the Chief Administrative Officer to prepare and forward reports on all remaining recommendations of the Red Tape Commission. This report deals with implementing Red Tape Recommendation 10 – Once a Certified Professional Program is operational in Winnipeg, the City should use a similar audit-based approach for regulation of other trades in other situations.

HISTORY:

On November 23, 2004, the Mayor officially established a Red Tape Commission to review City operations and regulations in order to improve customer service while granting administrators more freedom to innovate.

The Red Tape Commission submitted a final report, dated June 28, 2005, containing 30 general recommendations, each with numerous corresponding, and more comprehensive, sub-recommendations. Recommendation 10 reads as follows:

> ***Recommendation 10:***
> ***Once a Certified Professional Program is operational in Winnipeg, the City should use a similar audit-based approach for regulation of other trades and in other situations.***
>
> *This Recommendation is intended to highlight other opportunities for a more audit-based model for inspection and regulation.*
>
> ***Recommendation 10.1***
> *Using the experience gained from implementation of the Certified Professional Program contemplated in Recommendation 9, the City should develop a similar audit-based model for plumbing and the electrical inspections, especially given the fact that licensing and testing is already in place for both plumbers and electricians.*
>
> ***Recommendation 10.2***
> *At present, some outside agencies (like Manitoba Hydro) have the authority to complete remedial groundwork – for example, filling in a boulevard after a dig – without City inspection. The City should use the audit model to allow firms which regularly work on City property, roads or other to use an audit/certification model to complete the work without having to wait for inspection.*

DISCUSSION:

- Recommendation #10 seeks to change the requirement for inspection to verify work is Code compliant that has been completed by licensed tradespersons to an audit-based model. Specifically, the report recommends implementing a variation of the Certified Professional Program contemplated in Recommendation 9 to develop a similar audit-based model for plumbing and electrical inspections, given that these trades are licensed.

  The overriding goal of this recommendation is to maintain compliance with necessary building regulations, but recognize a licensed tradesperson has an obligation to ensure the work they do is Code compliant and therefore, need only be audited.

- Developers and contractors are generally familiar with the City's permit requirements and approval processes based on frequent contact with our permit's office. The Department's positive working relationship with the building industry will enable us to collaborate on additional service improvements including many of the Red Tape Commission Report recommendations.

- Recommendation #10 provides an opportunity to expand the Department's improvement initiatives to benefit customers in the non-professional new home-building market (i.e. individual MHBA homebuilders). These customers are generally very familiar with permit and Code requirements and utilize the Department's services on a daily basis.

- The Manitoba Building Code, the Winnipeg Building By-law, and the Electrical By-law establish requirements for the construction of new homes. New home Permits account for significant permit and inspection volumes annually. The increased activity over the last several consecutive years has taxed the ability of staff to respond and provide inspections (especially re-inspections of identified deficiencies) in a timely manner, resulting in backlogs and scheduling disruptions for the builders.

- In response to the goal and intent of Red Tape Commission Recommendation #10, the Department proposes the following tangible improvements based on an Spring 2008 implementation timeframe:
  - Creation of a limited self-inspection and defect correction certification program: Builder Certification Program (BCP)

<u>Objectives</u>:

1. Reduce the number of re-inspections of identified deficiencies by the Authority Having Jurisdiction.

2. Reduce the delays associated with arranging and conducting re-inspections.
3. Promote and facilitate training with direct benefits to both the Authority Having Jurisdiction and the industry.
4. Recognize the professionalism of the industry and the excellent working relationship that has been consciously developed between the Planning Property and Development (PP&D) Department and the Manitoba Home Builders Association (MHBA) and continue to pursue creative means to mutual benefit.

The Proposal:

1. A pilot program will be offered to an agreed upon and limited number of MHBA builder members, with the potential for expansion to all members in 2009.
2. Pilot Program participants will be responsible to sponsor those staff members of their choice and who normally have supervisory responsibility.
3. Sponsored builder staff must successfully complete the following courses:
    i) Building Code Part 9: The House – Health and Safety
    ii) Building Code Part 9: The House – Building Structure
    iii) Building Code Part 9: Building Plumbing Inspection
    iv) Electrical Code: Residential Application
4. Upon confirmation of successful completion of all required courses by documentation to PP&D, the individual will qualify to write a PP&D administered proficiency exam.
5. Upon successfully passing the proficiency exam, the status of Builder Certification Program (BCP) qualification will be awarded to the individual by PP&D and, by extension through their employment, the builder they are employed by.
6. Once the BCP designation has been awarded by PP&D, the builder will no longer require re-inspections of deficiencies noted by the PP&D Housing Inspector during all-trades and rough-in inspections. Rough-in and all-trades inspections will continue to take place each time; the audit program will only apply to subsequent inspections to confirm that deficiencies have been corrected.
7. Any deficiencies noted by the PP&D Housing Inspector will be communicated in writing electronically by email in a Deficiencies Report, as is already done by existing protocol.
8. Once communicated, it will be the responsibility of the builder to correct any and all identified deficiencies and submit the Deficiency Correction Notification Form under signature by the certified individual to PP&D within 24 hours of the correction having been made.

Terms & Conditions:

1. Only certified individuals employed by approved builders may use this program.
2. PP&D will, at its sole discretion, conduct periodic audits.

3. Rough-in and all-trades inspections will continue to take place each time; the audit program will only apply to subsequent inspections to confirm that deficiencies have been corrected.
4. Should an audit disclose deficiency correction has not been made, PP&D will, as the Authority Having Jurisdiction, apply the following disciplinary process:
    v) First Offence: Disciplinary Letter
    vi) Second Offence: Show / Cause Hearing followed by a Final Written Warning placing the individual on probation for a 6 month period.
    vii) Third Offence: Termination of Status Privilege

Long-Term Goal:

It is contemplated that the proposed Pilot Program would operate for a term of approximately one to two years and evaluated with the expectation of success under the defined requirements, terms and conditions and subsequently expanded to any MHBA builder member wishing to participate.

- The proposed implementation plan above offers the following benefits:
    - Reduce the number of re-inspections of identified deficiencies by the PP&D Inspections staff.
    - Reduce the delays associated with arranging and conducting re-inspections.
    - Promote and facilitate training with direct benefits to both the PP&D and the industry.
    - Recognize the professionalism of the industry and the excellent working relationship that has been consciously developed between PP&D and the MHBA and continue to pursue creative means to mutual benefit.
- The Department has had preliminary discussions with the Manitoba Home Builders Association (MHBA), who have expressed keen interest in the proposal. The Department has agreed to form a working group with members from the MHBA, and City of Winnipeg staff to work in partnership on an implementation plan.

Outstanding Issues:

- Sub-recommendation 10.2 promotes the idea of allowing some outside agencies that regularly work on City property or roads to have the work inspected on an audit basis, similar to the principle recommendation.
- Given the complexities and numerous agencies involved, the Department proposes to first concentrate on the implementation of the Builder Certification Program and deal with sub-recommendation 10.2 in a later phase.

Cautionary Notes

- The Department has proposed to use Red River College as the course provider. In the past, they have expressed substantial interest in expanding their curriculum to offer the training on which PP&D has designed the Builder Certification Program. All details have yet to be finalized and there is a possibility that Red River College may not agree to offer this course. If this happens the Planning, Property and Development Department will need to develop and provide the course utilizing external trainers and charge for the course on a cost recovery basis.
- There will be some additional costs associated with the implementation plan as proposed. At present, these costs are not specifically known. However, these costs may include incremental investments in the administration of the program.

Current Status/Next Steps:

- The Planning, Property and Development is presently working with the Manitoba Home Builders and Red River College to develop the necessary terms of reference associated with the implementation of a Builder Certification Program. Based on the approval of Executive Policy Committee the Department will begin the implementation of the recommendations in this report.

Financial Impact Statement Date: November 8, 2007

Project Name:

Red Tape Commission Report: Recommendation 10 – Audit-based model for inspection and regulation for non-professionals

COMMENTS:

The recommendations in this report include that the Planning, Property and Development Department work with the Manitoba Home Builders Association in the creation of a limited self-inspection and defect correction certification program: Builder Certification Program (BCP) based on an Spring 2008 implementation timeframe and that a pilot program will be offered to an agreed upon and limited number of Manitoba Home Builders Association (MHBA) builder members, with the potential for expansion to all members in 2009.

While there is a possibility that there may be some administrative costs associated with this pilot project, the amounts are neither determinable with a reasonable degree of certainty nor are they anticipated to be material in nature. As such, there are no material financial implications associated with the recommendations in this report.

"Original Signed By"
Mike McGinn, CA
Manager of Finance

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:

External Consultation With:

Manitoba Home Builders Association
Red River Community College

THIS REPORT SUBMITTED BY:

Department Planning, Property & Development and
Winnipeg Fire and Paramedic Service

Division Development & Inspections, PP&D

Prepared by: Garry Solkoski, Housing & Existing Buildings Administrator, PP&D,
Deepak Joshi, Manager of Development and Inspections, PP&D

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