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# **Integrated Assessment Report on Reformed Business Inspection Systems (2014): Cities of Batangas, Iloilo and Cagayan de Oro**

## **Investment Enabling Environment (INVEST) Project**

Submitted to:

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## ACRONYMS

ARTA	Anti-Red Tape Act
BFP	Bureau of Fire Protection
BOSS	Business One-Stop-Shop
BPOSS	Building and Occupancy Permits One-Stop-Shop
BPLD	Business Permit and Licensing Division
BPLO	Business Permit and Licensing Office
BPLS	Business Permit and Licensing System
BPLS-TWG	Business Permit and Licensing System-Technical Working Group
CDO	Cagayan de Oro
CENRO	City Environment and Natural Resources Office
CEO	City Engineering Office
CHO	City Health Office
CPDO	City Planning and Development Office
CTC	Community Tax Certificate
CTO	City Treasurer's Office
DILG	Department of the Interior and Local Government
DRIT	Disclosure and Revenue Inspection Team
DTI	Department of Trade and Industry
EO	Executive Order
FAIC	Fire Arson Investigation and Inspection Course
FBRC	Fire Basic Recruitment Course
FSIC	Fire Safety Inspection Certificate
INVEST	Investment Enabling Environment Project
IRR	Implementing Rules and Regulations
ITSD	Information Technology Systems Division
JIT	Joint Inspection Team
JMC	Joint Memorandum Circular
LGU	Local Government Unit
LINC-EG	Local Implementation of National Competitiveness for Economic Growth
MOU	Memorandum of Understanding
MUST	Mindanao University of Science and Technology
NGA	National Government Agency
OBO	Office of the Building Official
OCVAS	Office of the City Veterinary and Agricultural Services
OR	Official Receipt
PD	Presidential Decree
RA	Republic Act
SEC	Securities and Exchange Commission
SOP	Standard Operating Procedure
SP	Sangguniang Panglungsod
SSS	Social Security System
TOP	Tax Order of Payment
USAID	United States Agency for International Development

## I. INTRODUCTION

Inspection is an integral part of the business permitting process. It is usually undertaken to ensure that a business has complied with regulatory requirements emanating from various laws that serve to protect public interest and welfare. However, the conduct of inspections by LGUs has added to the complexity of the business permitting process in the Philippines, in terms of procedures that require time to complete. Hence, the INVEST project included the streamlining of the inspection system in its partner cities as one of the regulatory reforms that it will undertake to reduce the transaction cost of doing business.

The approach adopted by INVEST was two-pronged. As an initial step, baseline data on inspection practices in the three partner cities were gathered from May to July 2012. The results of the assessment were intended to serve as important bases for the reform agenda the cities would pursue in improving their inspections processes. Two workshops were subsequently conducted in each of the three cities, the first one from end-September to October 2012 aimed at (1) validating the third party assessment of the inspection systems in the cities; (2) reviewing and mapping the current end-to-end business permitting processes with the inspection system; (3) training the city officials on how to set-up a business friendly inspection system; and (4) designing a streamlined end-to-end business permitting process, including inspections. A second workshop was conducted in March and April 2013 in each of the cities to assess the effectiveness, efficiency, transparency, and fairness of the inspection systems as well as the reasonableness of inspection fees using the framework of the USAID “Local Implementation of National Competitiveness for Economic Growth (LINC-EG) report “A Guidebook for Local Governments on the Conduct of Business Friendly Inspections.” Based on the identified business inspection reforms in the first workshop, the city officials formulated city action plans with detailed activities and timeframes.

Because of the intervening mid-term elections in May 2013, partner cities requested more time to implement the business-friendly inspection city action plans. Hence, the assessment on the reformed business inspection process was made from September to October 2013. Another assessment was undertaken in 2014 to establish information that can be compared with the 2012 baseline data and the follow-up 2013 assessment.

This report aims to provide the results of the assessment of the three partner cities’ inspection processes for 2014, including an evaluation of the extent of implementation of their respective inspection reform action plans adopted in 2013.

## II. OBJECTIVES AND METHODOLOGY

### A. Objectives and Scope

The objective of the exercise is to assess the efficiency and effectiveness of the three partner cities' business inspection systems, including an assessment of the extent of implementation of each city's inspection reform action plan formulated and adopted in 2013.

The assessment exercise covered three areas. The first consisted of detailed process tracking activities to thoroughly record processing times, requirements, fees, and other aspects for each inspection process (before, during, and after). The second and third deal with the assessment of the inspections through evaluation of their effectiveness based on a 10-point criteria from the LINC-EG Guidebook as well as assessment of the extent of implementation of each city's inspection reform action plan.

### B. Methodology

This section provides a summary of the methods undertaken for the assessment exercise. Comprehensive guidelines on the assessment exercise, including a detailed discussion of the methodology were developed by the Project. This document is provided in Annex 1.

Data gathering and field work was undertaken from May 6 to June 11, 2014 for all the three (3) partner cities.

The Project's respective City Program Advisers took the lead in contracting the researchers/process trackers and overseeing the conduct of the various activities under the business inspection assessment.

#### 1. Process Tracking: New Registrations and Renewal of Mayor's Permits

Two types of processes were tracked, namely: (a) the inspection process of applicants who were renewing their business permits and (b) the inspection process for those who applied for a Mayor's permit for the first time. The former included inspections to check continuing compliance with national and local regulations that will serve as basis to determine eligibility to renew the Mayor's permit and continue operation of the business. The latter included inspections that are required before the LGU issues the certificate of occupancy/occupancy permit, a standard requirement for the application of business permits

Each inspection process was documented from two (2) perspectives: the applicant, composed of randomly selected establishments, and LGU, composed of interviews with officials and official records of concerned local regulatory offices and local units of national government agencies (e.g. Bureau of Fire Protection and Social Security System).

The overall process is summarized in Table 1.

**Table 1. Summary of Process Tracking Exercises Undertaken to Assess Inspection Systems of Batangas City, Iloilo City, and Cagayan de Oro.**

Inspection Phase	Process Tracking Method	
Inspection Process for New Business Registration (Secure Certificate of Occupancy)	Applicant's Perspective (random sample of business applicants)	LGU Perspective (regulatory offices)
Inspection Process for Renewal of Permits (required inspections to determine eligibility to renew permits)		

The assessment covered inspections conducted in LGUs, namely: (a) zoning inspections assigned to the CPDO which is provided for in the Local Government Code and are determined by local zoning ordinances; (b) fire inspections by the Bureau of Fire Protection (BFP) which are expressly required for the issuance of a business permit by the Fire Code of the Philippines of 2008; (c) health and sanitary inspections that are usually required by LGUs and linked to the business registration process; and (d) structural safety inspections conducted by the Office of the Building Official (OBO) as mandated by the National Building Code. Additionally, some LGUs conduct other types of inspections as mandated by its local ordinances and that are required to be complied with during the business registration phase. An example would be environmental inspections by the City Environment and Natural Resources Office (CENRO) in Batangas City and Cagayan de Oro City. In addition, inspections conducted by the Business Permit and License Office (BPLO) and the City Treasurer's Office (CTO) were included in the assessment.

Table 2 indicates the various inspections undertaken (as required) by the concerned offices in each of the three cities.

**Table 2. Required Regulatory Inspections in Batangas City, Iloilo City, and Cagayan de Oro City**

	Batangas City		Iloilo City		Cagayan de Oro	
	<i>New</i>	<i>Renewal</i>	<i>New</i>	<i>Renewal</i>	<i>New</i>	<i>Renewal</i>
City Planning and Development Office/ Zoning	X		X		X	X
OBO/ City Engineer's Office	X	X	X		X	X
BFP	X	X	X	X	X	X
City Health Office (CHO)		X	X	X		X
BPLO		X		X		X
CTO		X	X		X	X
CENRO*		X				
Agriculture Office*		X*				

*\*if applicable (if establishment engages in line of business covered by the office's domain)*

The process tracking exercise aimed to accurately track the inspection procedures/steps, processing times, and documentary requirements that an applicant

had to comply with before regulatory permits were finally given. The exercise took into account the perspective of the applicant and included the recording of waiting and queuing time, including travel time within the City Hall premises, documentary requirements as well as other actions that the city governments asked from the applicant before a permit was granted. Each city was able to track at least four (4) randomly-selected applicants for new registrations and applicants for renewal of permits each.

For the LGU perspective, a minimum of three (3) and five (5) sample applicants were randomly selected per city representing new business registration applications and business renewals, respectively. Assigned researchers looked at the steps, requirements, signatories, processing time and amount of fees in securing regulatory permits (including the inspection) posted in the premises as required in the Anti-Red Tape Act (ARTA) of the said office. The researchers gathered information by (a) examining concerned offices' logbook to retrieve information on the date and time of receipt of each application and the corresponding date and time of the release of the permit, and (b) conducting interviews with concerned personnel for each regulatory office.

## **2. Assessment of the Effectiveness of Business Inspections**

Assigned researchers gathered data/information to assess the effectiveness of business inspections using the proposed guidelines indicated in the USAID LINC-EG Guidebook, covering the following aspects: sufficiency of statutory/regulatory basis; prior inspection notice, proper authority, proper identification, registrant representation during inspection, use of inspection checklist and prior disclosure, duration of inspection time, number of inspectors, post-inspection conference with registrant, and inspectors' qualifications.

## **3. Assessing the Implementation of the City Inspection Reform Action Plans**

Assigned researchers also conducted assessments, by observation and interviews, on the extent of the implementation of respective city inspection reform action plans. As indicated previously, each city, based on identified business inspection reforms in workshops supported by INVEST, formulated inspection reform action plans in 2013. The assessment looked at whether each action item had been implemented (fully or partially) or not.

### III. FINDINGS AND RESULTS OF THE ASSESSMENT

This section will provide the assessment reports for the three cities based on the activities undertaken, namely process tracking, assessment of inspection system's effectiveness, and assessment of the extent of implementation of the inspection reform action plan formulated in 2013. Each city will be discussed separately given significant differences among the cities' business inspection procedures.

#### A. Batangas City

##### 1. Introduction

Beginning January 2013, Batangas City had succeeded in dramatically streamlining its Business Permits and Licensing System (BPLS). A large part can be attributed to the decision of the city government (and concerned national agencies) to refrain from conducting any inspections during the business registration process, and instead have these undertaken before or after securing the Mayor's permit.

In 2013, by virtue of Executive Order No. 8, Batangas City adopted a business-friendly inspection reform action plan. Further, the city government together with national government agencies, including BFP and Social Security System (SSS) agreed to form three (3) teams – one (1) on inspections related to so-called pre-registration processes covering securing building and occupancy permits (referred to as "Compliance") and two (2) for inspections undertaken after Mayor's business permits have been issued. One of the post-permitting processes deals with validation of information submitted by the registrant and identifying businesses that are operating without business permits (referred to as "Disclosure and Revenue" or DRIT). The other deals with monitoring compliance with structural, mechanical, fire, health, environment, veterinary and agricultural safety risks (termed as "Safety"). In 2013, only DRIT had been operationalized (beginning September 2013 by virtue of Executive Order No. 30).

For 2014, Batangas City had planned to operationalize the two other joint inspection teams and continue operations of the DRIT.

##### *a. Objectives, Scope and Methodology*

This report aims to provide an assessment of Batangas City's inspection processes for 2014 with data gathering and field work undertaken from May 6 to June 11, 2014. It also seeks to assess to what extent the city government had succeeded in implementing its inspection reform action plan adopted in 2013.

For Batangas City, the Project hired two researchers/process trackers. One covered field research (i.e. process tracking) and data gathering activities to assess inspection processes from the **applicant's perspective** – both inspections required for business registrants applying for new business registrations and renewal of permits. The assessment also included an assessment of the effectiveness of business inspections. For inspections during the pre-registration phase, the researcher either joined the actual inspection process or interviewed the applicant immediately after an inspection was undertaken (in some instances, the specific schedule of inspections were unannounced thus, the researcher was only able to arrive after the conduct of inspections).

The other researcher/process tracker undertook the assessment from the **perspective of the LGU**, namely regulatory offices involved in the conduct of inspections and formulation of the inspection reform action plan. This was done by checking data from the offices' records/ databases and by conducting interviews with concerned staff. Such assessment covered inspections already undertaken prior to the assessment efforts (i.e. inspections completed before May 2014). The latter also took the lead in assessing the implementation of the city inspection reform action plan.

For inspections required for new permit applications, the assessment focused on inspections related to securing Certificates of Occupancy or Occupancy Permits, particularly those conducted by concerned offices to determine zoning, fire safety, and building/structural compliance.

For inspections required to be conducted after permits have been issued, the assessment focused on inspections related to disclosure verification and compliance with safety standards for health, environmental, building/structural, mechanical, fire prevention/protection, and veterinary and agriculture.

To the extent possible, the report attempts to provide comparisons between written/adopted inspection standards and actual practice based on perspectives of both applicants and staff of the various LGU regulatory offices (as indicated above).

## **2. Business Inspections Assessment**

### *a. Inspections Process Related to New Business Registrations*

Similar to most LGUs, in Batangas City, prior to the issuance of a business permit, a prospective business (except those without personnel occupying the business – e.g. billboards) will need to secure a Certificate of Occupancy/Occupancy Permit, typically the next step undertaken after Building/Construction Permits are secured and structures are consequently built.

In securing the Occupancy Permit, an applicant has to go through clearances from the LGU Zoning Division, Bureau of Fire Protection, and City Engineer's Office (CEO) before the said permit is issued. Each clearance entails separate inspections from the concerned agencies.

Beginning January 2014, applications for both Building and Occupancy Permits have been undertaken at the city's Building and Occupancy Permits One-Stop-Shop (BPOSS), an area within the main city hall complex designated to co-locate relevant personnel of concerned city and national offices, including CEO, BFP, Zoning (CPDO), CENRO, and Office of the City Veterinary and Agricultural Services (OCVAS).<sup>1</sup>

Following the process flowchart presented inside and outside the BPOSS premises, the basic process for securing an Occupancy Permit follows an assembly line approach (See Figure 1).

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<sup>1</sup> Offices of CEO, BFP and OCVAS are located outside (each at least beyond 1 kilometer from) the main city hall complex.

**Figure 1. Flowchart for Securing a Certificate of Occupancy, Batangas City.**

STEP NO.	STEP OF APPLICANTS	AGENCY CONCERNED	TIME FRAME
1	a. Submits duly accomplished completion forms and complete set of requirements	City Engineer's Office - Building Permit Division	Three (3) days
	b. Secure Zoning Permit for Occupancy	City Planning & Development Office - Zoning Division	
	c. Secure Fire Safety Inspection Certificate (FSIC) and payment of Fire Safety Inspection fee	Bureau of Fire Protection	
	a. Claims Zoning Permit for Occupancy	City Planning & Development Office - Zoning Division	Three (3) days
	b. Claims Fire Safety Inspection Certificate (FSIC)	Bureau of Fire Protection	
2	Submit Zoning Permit for Occupancy, Fire Safety Inspection Certificate (FSIC) and complete set of requirements to CEO table	City Engineer's Office (CEO) table	One (1) day
3	Claims Order of Payment and make payments @ City Treasurer's Office (BOSS)	City Engineer's Office (CEO) table City Treasurer's Office (CTO) BOSS	One (1) day
4	Presents Official Receipt (OR) and claims Certificate of Occupancy Permit	City Engineer's Office (CEO) table	One (1) day

On June 10, 2014, the city issued EO No. 16 to formalize the BPOSS arrangement. The process was left unchanged, except for the processing time – instead of three days, steps 2 to 4 will take two days at most. Requisite field work for the assessment exercise had been completed before June 10, 2014.

Applicants' Perspective

The process documenter followed four prospective businesses that applied for Occupancy Permits during the assessment period –gasoline station, hardware shop, food stand, and apartment (for residential lease).

In general, the tracking validated the process flow provided to clients by the city government.

**Table 3. Summary of Process Tracking and Assessment of Inspections Related to Securing Occupancy Permits (Applicants' Perspective), Batangas City.**

	Waiting Time from Previous Step/ Inspection	Duration of Inspection	Decorum of Inspectors	Prior Notice of Inspection	Check-list	Presence of ID	Post-Inspection Conference
<b>Zoning</b>	2 days to 2 weeks <sup>2</sup> (average of 1 week)	35 minutes to 4.5 hours (average of 2 hours)	approachable, kind, admirable attitude	No	Yes	Yes	Yes
<b>Fire</b>	1 day to 1 week (average of 4.5 days)	50 minutes to 3 hours (average: 1 hour, 18 minutes)	approachable, kind, admirable attitude	No	Yes	Yes	Yes
<b>Engineering</b>	1 day to 1 week (average of 3.5 days)	40 minutes to 4 hours (average 2.5 hours)	approachable, polite, admirable attitude	No	Yes	Yes	Yes

As presented earlier, the maximum time period that an Occupancy Permit should be released is six (working) days (five days beginning June 10, 2014) from the time a complete application has been filed and accepted. The implication is that the three inspection processes from Zoning, BFP, and CEO should all be finished in less than six working days. However, the results of the tracking yielded large ranges in terms of gaps in between inspections, perhaps also given the small sample size (four applicants). After the application had been received, it took Zoning anywhere from 2 days to 2 weeks to visit the establishment (roughly averaging 7 days) and conduct requisite inspections. For the next step, BFP took from one day to one week (or 4.5 days on average) followed by CEO which similarly took one day to one week (3.5 days on average). One applicant mentioned that one office (BFP) kept on changing the schedule of the inspections, thereby causing inconvenience to the business owner or contractor.

In terms of duration of inspections, similarly, these had significant variations. For any concerned office, inspections took less than 1 hour at the minimum to more than 3 hours at most. In any case, inspections were finished in less than half a day. Surprisingly, inspections for the gasoline station (for the three offices) took less time than those for the proposed apartment. As expected, the food stand took the least time, perhaps given its size and relatively simple technical specifications. On average, CEO took the longest time given that they check more items than Zoning or BFP.

Overall, if there were no gaps in the processes (either done sequentially, joint, or in parallel), the three inspections could be finished in two days. However, given the gaps between inspection

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<sup>2</sup> Zoning Division conducts first inspection after applicant has submitted application (approved by CEO as screening entity)

processes, none of the four samples were able to meet the six-day processing time limit as indicated in the process flows provided to the public.

In terms of client feedback, applicants provided highly positive feedback on the decorum of the inspectors for all three offices, remarking that they were approachable, kind, polite, and had admirable attitude. They also presented official IDs for proper recognition and representation and utilized standard checklists.

The exercise however revealed that in all four cases, no prior notice for inspection was given. Applicants also mentioned that in some instances, they were not informed of the results of their application which necessitated follow up queries at the BPOSS, though brief exit conferences of the findings were reportedly held.

Other feedback provided by applicants include the following:

- Records automation is highly recommended to streamline the entire process, including inspections;
- The Zoning Division, supposed to be in place at the BPOSS, was not represented;
- At one point, the entire staff of CEO were unavailable for a day at BPOSS (not even one person was available);
- In some cases, delays were incurred due to the unavailability of the signing authority; and
- In general, staff complement seemed weak (both frontline BPOSS service and inspectors), thereby leading to delays.

#### LGU Perspective

In assessing the inspection processes relevant to securing Occupancy Permits, the documenter examined seven samples. Unlike the assessment from the applicant's perspective, the sample consisted of businesses that have secured their business permits and occupancy permits in the past (before May 2014 but after December 31, 2013).

The assessment framework utilizes the elements of the Anti-Red Tape Act (ARTA) of 2007 which provides service standards to frontline services of national and local government agencies. One of the requirements of the law was for each agency to develop and issue Citizen's Charter advisories (e.g. through posters, handbooks) to inform constituents of expected service standards. Further, each concerned office is mandated to post service standards on each of their frontline services in conspicuous areas in their premises (e.g. in large tarpaulins).

**Table 4. Summary of Process Tracking and Assessment of Inspections Related to Securing Occupancy Permits (LGU Perspective), Batangas City.**

	Per Interview/Observation		
	CPDO (Zoning)	BFP	CEO
<b>No. of Steps</b>	1	1	1
<b>No. of Requirements</b>	1- Checklist	1- Fire Safety Checklist	1- Certificate of annual inspection
<b>No. of Signatories</b>	2- (Inspector, Zoning Officer IV)	2- (City Fire Marshall, Inspector)	6 (Mechanical Safety Inspector, Plumbing Inspector, 4 Building inspector (Architectural, Structural, Electrical, Fire Safety)
<b>Processing time</b>	15 to 30 minutes	15 to 30 minutes	15 to 40 minutes
<b>Fees paid</b>	Php 1,000 to Php 1,200 (records found only for 2 out of 7 samples)	Php 265 to Php 1,065	Data not found

Right outside the BPOSS, Batangas City had posted the general process flow (Figure 1) outside its premises where clients walk through prior to entering the facility. However, such guide did not have all the elements prescribed under ARTA, namely signatories and requirements.

Since inspections were pre-requisite steps in securing permits, Batangas City did not have separate guides/charters for these. These were not explicitly presented but were subsumed in the general process chart posted in the premises.

Inspections generally constitute one step as they are completed in a single session with one interface for three sub-steps— introduction, actual conduct of the inspection, and post-inspection conference.

In terms of requirements, inspections did not require any documents to be presented by the client – instead, these focused on ocular checks to gauge compliance with zoning, structural, engineering, fire safety, and other standards. Previously submitted documents, including plans during the Building Permit phase served as bases for assessing compliance.

The number of signatories varied for each inspection process – two each for Zoning and BFP and six for CEO given the various engineering disciplines that needed to be checked in a given establishment.

In terms of processing time, the offices reported a minimum time of 15 minutes and a maximum of 30 minutes for Zoning and BFP, and 40 minutes for CEO. These reported figures differ significantly from processing times reported by the applicants or observed by the process documenter (based on the four samples earlier described) which on average took more than one hour at the minimum.

Data on inspection fees for Zoning and CEO were difficult to retrieve (such offices had difficulty retrieving such information). BFP, on the other hand, provided complete information on fees paid for inspections. Based on two out of seven retrieved samples, applicants paid Php1,000 to Php1,200 for Zoning clearances while fire safety inspection fees ranged from Php265 to Php 1,065 for the seven businesses.

LGU offices and BFP clarified during interviews that the amount of fees depended on various factors, including size of business (capitalization), and line of business.

#### *b. Inspection Process Related to Renewal of Business Permits*

In Batangas City, after business permits are issued, inspections are undertaken which become the basis for eligibility for subsequent renewal of permits the following year. Those with outstanding non-compliances from regulatory offices are not able to renew their permits. The inspections check continuing validity of fire safety, health, environment and other regulatory permits/ clearances. Depending on the nature of the permit, businesses with 'positive findings,' (incidences of non-compliance) have prescribed time periods to address identified issues, after which penalties can be imposed and/or can lead to closure of business.

Businesses in Batangas City do not actively apply for or acquire other permits/ clearances from the various regulatory offices, including BFP, separately from the business permit process. As such, they also do not 'apply' to be inspected. These are undertaken without any additional action required on the part of the business.

As indicated, the DRIT Inspection Team was operationalized in September 2013. The objective of the team is to validate information disclosed by registrants at the time of registration (i.e. information found in the information sheet), ensure that required permits as per national and local laws are valid and displayed conspicuously, and to identify businesses operating without business permits. DRIT inspections cover items that need to be checked by the BPLO as well as CTO, specifically the posting of business permits, updated payments of business taxes, and correct revenue figures. They also partly cover post-permitting items that need to be verified for CENRO (valid and posted City Environmental Certificate and City Environment Permit to Operate), CHO (Sanitary Permit), BFP (FSIC for Business), and OCMA (Market Clearance). Inspections for other selected national government agencies, including the Social Security System (SSS) are likewise undertaken in the DRIT inspections.

Safety concerns are not checked in DRIT inspections as this falls outside the team's domain, namely for BFP, CHO, and CENRO. CPDO, on the other hand, does not undertake post-permitting inspections.

The field work was only able to cover DRIT inspections – complete coverage for BPLO, CTO and CENRO and partial coverage for BFP and CHO (validation of permits issued). None of the 10 samples inspected during the May 8, 2014 inspections (see below) were scheduled for other inspections during the assessment period. Further, since the city was undertaking activities aimed at operationalizing the Safety JIT, concerned departments were holding off on post-permitting safety inspections.

Operationalization of the joint inspection team for Safety was realized after field work for this report had been completed. As discussed in previous sections, the concerned EO was issued on June 10, 2014 with the formal start of joint safety inspections commencing on June 23, 2014.

### Applicants' Perspective

The process tracker joined the DRIT inspections (one of three parallel DRIT teams) on May 8, 2014, comprised of 10 establishments which corresponded to 15 permits. The sample covered one area (*Barangay 22, Poblacion area*) with a mix of restaurants, clinics, apartment lessors, printing, grocery, and multi-product shops. As Batangas City issues permits per line of business, an establishment can have multiple permits. In this case, a pawnshop that also provides remittance and mobile phone credit top-up services ('reloading') had three permits.

Table 5 summarizes the DRIT inspections as observed by the researcher. During the actual inspection, as observed, representatives of the BPLO office, SSS, and CENRO participated in the inspections. As originally designed, BPLO will check for their concerned items plus disclosure-related items of CTO, CENRO, BFP, CHO, OCVAS, and OCMA while SSS would check for SSS compliance concerns. On May 8, 2014, the CENRO team joined BPLO and SSS staff to check for the complete set of post-permitting inspection items for their department. The researcher later found out through interviews that CENRO had decided to join the DRIT team beginning April 2014 so as not to burden the establishments with another inspection in a separate occasion. CENRO shifted its participation to the Safety JIT team when it formally started operations on June 23, 2014.

Thus, the data in Table 5 represent full inspections for BPLO, CTO, and CENRO and partial inspection processes/ areas for BFP, CHO, and OCVAS.

**Table 5. Summary of Process Tracking and Assessment of Post-Permitting Inspections: DRIT and CENRO (Applicants' Perspective), Batangas City.**

Duration of Inspection	Decorum of Inspectors	Prior Notice of Inspection	Checklist	Presence of ID	Post-Inspection Conference
8 to 16 minutes for establishments with only a single permit	Polite and approachable	Yes, 1 day prior to the inspection	Yes	Yes	Yes
16 to 23 minutes for establishments with multiple permits					

For establishments that only had one business permit, inspections took between 8 to 16 minutes. For those that had multiple (two or three) permits, inspection processes took between 16 to 23 minutes. The tracker observed that the three representatives took turns in conducting the inspections with the representative on hand, typically with BPLO beginning the process followed by CENRO, then SSS. A brief post-inspection conference followed each joint inspection. In some establishments, delays were experienced when clients still had to look for permits or documents to be checked during the actual inspections.

The researcher observed that in all the 10 inspections undertaken, the BPLO, CENRO, and SSS staff were polite and approachable. They also utilized a unified checklist in which the original copy was left with the business and a (carbon) copy kept by the BPLO staff. Each of the inspectors wore a large ID bearing the name of the DRIT team together with their names and designations.

However, the businesses mentioned that notices of inspection were only given the previous day. This deviates from operational guidelines formulated by the DRIT team which stipulates that letters be given at most one week before inspections are to be made.

#### LGU Perspective

To assess inspection processes related to renewal of permits, the researcher, with the help of the BPLO office, randomly selected 11 establishments that were able to renew their permits in 2014 (before the assessment period). Inspections are undertaken after permits are issued which serve as the basis for renewal the following year. Thus, these inspections were undertaken prior to December 2013 but after September 2013 (after the EO operationalizing DRIT was issued). Businesses inspected included offices, financial institutions, food establishments, learning centers, electronic shops, furniture shop, and a supermarket. Inspections for BPLO and CTO fall under the DRIT inspections while others pertain to separate, individual inspection procedures.

**Table 6. Summary of Process Tracking and Assessment of Post-Permitting Inspections (LGU Perspective), Batangas City.**

	Per Interview/Observation						
	BPLO	CTO	CEO	CENRO	CHO	OCVAS	BFP
<b>No. of Steps</b>	1	1	1	1	1	1	1
<b>No. of Requirements</b>	7 (posted permits)	Covered in DRIT	1 (Occupancy Permit)	3 (CEPO, CEC, ECO)	1 (Health certificates of employees)	1 (Meat inspection certificate)	1 (Occupancy/ Building Permit)
<b>No. of Signatories</b>	4 (Licensing)	Covered in DRIT	6 Mechanical Safety	1- Inspector	1- City Health Officer	1 - Supervisor	2 (City Fire Marshall,

	Per Interview/Observation						
	BPLO	CTO	CEO	CENRO	CHO	OCVAS	BFP
	Officer III, 2- Licensing Inspector, and SSS officer)		Inspector, Plumbing Inspector, 4 Building inspector (Architectural, Structural, Electrical, Fire Safety)			r	Inspector)
<b>Processing time</b>	20 to 25 minutes	Covered in DRIT	15 to 20 minutes	15 to 20 minutes	10 to 25	30-45	10 to 30
<b>Fees paid</b>	None	None	Not found	No fees	Average range of 125 to 300  1,000 for furniture shop and 5,000 for supermarket	Not found	300 (for all)

Similar to inspections prior to new business registrations, businesses do not apply for inspections. It is an automatic process that is triggered after the establishment is able to secure or renew a business permit. As such, the city government does not provide a 'citizen's charter' document for inspections.

During the actual inspection, similar to inspections conducted for Occupancy Permits, there is only a single step consisting of the following sub-steps: introduction of the inspection team, conduct of actual inspection, and exit conference. This was validated by the department officials interviewed.

In terms of requirements, regulatory offices only required current respective permits/ certificates to be presented. The other requirement was for the establishment to be physically available and open for inspections.

For signatories, the CEO required the most number of signatories (six) corresponding to the various engineering disciplines that needed to be checked. This is followed by DRIT Inspections (3 from the BPLO Office and 1 from SSS) then two for BFP (the City Fire Marshall and one Inspector). The other departments only had one signatory each.

For processing times, as per the various departments' staff, inspections took less than 30 minutes, except for OCVAS which took up to 45 minutes. As only one business in the 11 samples required OCVAS inspections (supermarket), this may not be indicative of its general process. Processing times for the DRIT (BPLO and CTO) inspections correspond well with the findings from the assessment from the applicant's perspective. For CHO, they mentioned that inspections for non-food establishments are completed faster (at most 10 minutes) than those which serve or sell food (can take up to 30 minutes).

In terms of fees paid, BPLO, CTO, and CENRO do not impose any amount for inspections. For CEO, fees are mostly dependent on the establishment's level of electric loads. The smaller establishments in the sample averaged fees of Php 125 to 300 pesos while bigger businesses, namely a furniture shop and supermarket, incurred higher fees – i.e. Php 1,000 and Php 5,000, respectively. Data on inspection fees for all the 11 samples were not found for CEO and OCVAS due to difficulty in retrieval of records.

c. Assessment of the effectiveness of business inspections

Table 7 summarizes the assessment of the effectiveness of Batangas City’s inspection processes based on guidelines proposed in the USAID LINC-EG “Guidebook for Local Governments on the Conduct of Business Friendly Inspections.”

**Table 7. Summary of Process Tracking and Assessment of Post-Permitting Inspections: DRIT and CENRO (Applicants’ Perspective), Batangas City.**

Indicators		CPDO (Zoning)	CEO	BPLO/ DRIT	CHO	CENRO	BFP
<b>Sufficiency of statutory /regulatory basis</b>		Batangas City Comprehensive Land Use Plan; Batangas City Zoning Ordinance	PD 1096: National Building Code	Batangas City Revenue Code 2009; Executive Order (EO) No. 8, s. 2013; EO No. 30, s. 2013	PD 856: Sanitation Code of the Phils. IRR and PD 522	RA 7160: Local Government Code; PD 1152: Philippine Environment Code; Batangas City E-Code; DENR Memo Circular 2007 – 2008; RA 9003: Ecological Solid Waste Management Act IRR	Philippine Fire Code 2008 (RA 9514); RA 6975: DILG Act of 1990
<b>Prior Inspection Notice (2014)</b>		No	No (for Occupancy Permits);	Yes	Verbal Notice	No	No (for Occupancy Permits)
<b>Proper Authority</b>		Yes (per Zoning Ordinance)	Yes	Yes	Yes	Yes (as per E-Code)	Yes
<b>Proper Identification</b>		Office ID and Uniform	Office ID and Uniform	DRIT Joint ID and Uniform	Office ID and Uniform	Office ID and Uniform	Office ID and Uniform
<b>Client Representation during Inspection</b>		Yes	Yes	Yes	Yes	Yes	Yes
<b>Use of Inspection Checklist</b>		Yes	Yes	Yes	Yes	Yes	Yes
<b>Duration of Inspection Time</b>	<b>2013</b>	6-10 mins (average)	Depends on the size of the structure		30 mins (average)	15-20 minutes	Depends on the size of the structure
	<b>2014</b>	35 minutes to 4.5 hours (average of 2 hours)	For Occ. Permits: 40 minutes to 4 hours (average 2.5 hours)	8 to 16 minutes for single permits; 16 to 23 for multiple permits	No recorded time for applicant's perspective	No recorded time for applicant's perspective	For Occ. Permits: 50 minutes to 3 hours (average: 1 hour, 18 minutes)
<b>Number of Inspectors (total)</b>	<b>2013</b>	2 during inspection (4)	Annual Inspection (4) Occupancy Inspection (4) CFEI (2) Monitoring (4) Total Inspectors (11)		2 during inspection (8)	1 during inspection (2)	3 during inspection (25)
	<b>2014</b>	4 total; 3 during inspection)	16 total; 6 during	9 total; 4 during	15 inspectors; 1	3 total; 1 during	23 total; 2 per inspection

Indicators	CPDO (Zoning)	CEO	BPLO/ DRIT	CHO	CENRO	BFP
		inspection	inspection	during inspection	inspection	
<b>Post Inspection Conference with Client</b>	Yes	Yes	Yes	Yes	Yes	Yes
<b>Inspector Qualifications</b>	Engineering graduate with Field Experience	Licensed engineers	BPLO Inspectors, Job Orders	BS graduate with proper training	Graduate of any related course with field experience	Min. of 1 yr BFP and has completed Fire Arson Investigation & Inspection Course (FAIIC); with Fire Basic Recruitment Course (FBRC)

*Sufficiency of Statutory/Regulatory Basis.* Similar to previous years, as indicated in past assessment reports, each of the regulatory offices and departments had sufficient national and local statutory or regulatory bases. Inspection procedures for CEO, CHO, and BFP are largely hinged on national laws while CPDO (Zoning) and BPLO are given mandates through local issuances. CENRO follows both national and local legislation. In 2013 and early 2014, executive issuances for joint DRIT and Safety inspections were issued.

*Prior Inspection Notice.* Most inspections, especially those that are required for pre-registration steps (i.e. securing occupancy permits), do not provide inspection notices or only provide verbal notices. DRIT inspections, on the other hand, send written notices of inspection. For Safety JIT inspections, at least based on guidelines stipulated in EO no. 17, series of 2014, written notices are supposed to be transmitted to concerned businesses at least one week prior to scheduled inspections.

*Proper Authorization.* Similar to previous years, all units or departments undertaking inspections have been given the proper authorization to conduct such processes.

*Proper Identification.* Since at least 2013, inspectors from all departments have been wearing office IDs and office uniforms when conducting inspections. For DRIT and Safety JITs, the city has issued DRIT and Safety IDs – inspectors wear these instead of department-specific IDs.

*Client Representation during Inspection.* All inspections undertaken by Batangas City have client representatives on hand during the process. In many cases, these are not the business owners but designated representatives. For inspections related to securing Occupancy Permits, in many cases, contractors represented the establishments.

*Use of Inspection Checklist & its Prior Disclosure.* All departments and JITs utilized checklists during the inspection processes but the contents were not disclosed beforehand. DRIT ensured that businesses are given the original copies of the accomplished checklist with duplicates kept by the city government. The Safety JIT's operational guidelines indicate a similar protocol. For Zoning, the use of checklists at present is an improvement from previous years as no checklists were used in previous years as reported (building plans were used as reference instead).

*Duration of Inspection Time.* Time durations have been discussed in previous sections from both the applicants' and LGU's perspectives. The comparison, except for DRIT, revealed significant differences. Similarly, as compared with figures reported in the 2013 assessment report, duration

times are higher for those observed in 2014, particularly for Zoning – i.e. 6 to 10 minutes in 2013 as compared with 35 minutes to 4.5 hours in 2014. Time duration ranges were not indicated for other offices in the 2013 report, hence, comparisons may not be made.

*Number of Inspectors.* Except for the BFP, the total number of inspectors had seen a general increase for all departments, as compared with figures for 2013. Significant improvements have been observed with staff complement, especially for CEO and CHO – from 11 to 16 personnel and 8 to 15 staff, respectively.

*Post Inspection Conference with Client.* The inspection teams for all departments and JITs held post-inspection conferences with the businesses immediately on-site after the inspections were conducted on. Previous years followed the same protocol.

*Inspectors' Qualification.* The qualifications of the inspectors are similar to those indicated in the previous (2013) assessment report. The inspectors in each department are licensed, registered or at least had proper training prior to field work. In some cases, regular personnel are augmented by contractual staff/ job orders.

*d. Assessment of the implementation of the city inspection reform action plans*

Table 8 provides a summary of the assessment of the implementation of Batangas City's inspection reform action plans. The exercise evaluated the accomplishment of the different action items indicated in Batangas City's inspections reform action plan issued through Executive Order No. 8, series of 2013, "Adopting the Inspection Reform Action Plan to Establish a Business Friendly Inspection System in Batangas City."

**Table 8. Assessment of the Implementation of the Inspection Reform Action Plan, Batangas City.**

Action Item	Office	Implemented?	Explanation/Observation/Comment
Prepare an Executive Order (EO) supporting the inspection reform	BPLO	Yes	<ul style="list-style-type: none"> <li>Executive Order no, 8, s. 2013 signed by the city Mayor issued to adopt the inspection reform plan</li> <li>EO no. 30, s. 2013 issued to operationalize DRIT</li> <li>EO no. 17, s. 2014 issued to operationalize Safety JIT</li> </ul>
Organize the Joint Inspection Team (JIT)	BPLO, CENRO, CHO, OCVAS, CEO, BFP	Partial	<ul style="list-style-type: none"> <li>2 JITs have been formed and operationalized – DRIT and Safety JITs</li> <li>The JIT for Compliance has not been operationalized</li> </ul>
Prepare and use unified checklist for inspection	BPLO, CENRO, CHO, OCVAS, CEO, BFP	Yes	<ul style="list-style-type: none"> <li>The DRIT and Safety JITs have their respective unified checklists</li> </ul>
Classify business establishments according to operational and area risk	CHO, BFP, BPLO	Yes	<ul style="list-style-type: none"> <li>All offices have a set of categorized classification according by area risk and as first come first serve basis</li> <li>Main focus as of now is the <i>poblacion</i> area</li> </ul>

Action Item	Office	Implemented?	Explanation/Observation/Comment
Develop, install and use an automated inspection system	ITSD	No (ongoing)	<ul style="list-style-type: none"> <li>Ongoing development of a mobile 'app' for a paperless checklist system (to be piloted by the Safety JIT team before adoption by other JITs)</li> </ul>
Hire and train new qualified inspectors, and train existing inspectors.	BPLO, CENRO, CHO, CEO, OCVAS	Partial	<ul style="list-style-type: none"> <li>General increase in number of inspectors per office/ department but still insufficient</li> <li>Orientation and simulation exercises undertaken prior to launch of joint inspections</li> </ul>
Propose regular expenditures for inspection (e.g. logistics, supplies, and gadgets)	BPLO, CEO, CENRO, CHO, OCVAS, BFP	No	<ul style="list-style-type: none"> <li>General lack of equipment required for adequate inspection processes</li> <li>List of equipment and supplies consolidated and transmitted by CEO to CMO and GSD.</li> </ul>
Develop and use an inspection manual	BPLO, CEO, CENRO, CHO, OCVAS, BFP	Partial	<ul style="list-style-type: none"> <li>No operation manuals developed but detailed operational guidelines developed and disseminated for DRIT and Safety JITs</li> </ul>
Develop a compliance merit system for purpose of giving awards.	BPLO, CEO, CENRO, CHO, OCVAS, BFP	No	<ul style="list-style-type: none"> <li>This has not been developed</li> </ul>

Many of the action items planned have been implemented. The preparation of an Executive Order to support the inspection reform has been done – as indicated above, EO no. 8 was issued to adopt and issue the plan. In addition, separate EOs have been issued for each of the JITs that have been formed and operationalized (i.e. DRIT and Safety). The city government, together with national agencies, was also successful in developing unified checklists for both the Safety and DRIT. In terms of classifying business establishments according to operational and area risk, even before JITs were operationalized, this had been a common practice for Batangas City. For example, CHO prioritizes inspections of food establishments over non-food businesses. OCVAS, on the other hand, prioritizes slaughterhouses and local meat vendors. For DRIT, per discussions with the BPLO office, beginning 2015, scheduling of inspections will be based on a risk-based criteria which prioritizes areas (i.e. *barangays*) that have had higher rates of non-compliances with regard to disclosure and operating without requisite permits. Similarly, the Safety JIT prioritizes areas with higher rates of compliance and with larger number of business – as such, Safety JIT inspections prioritize businesses in the 24 *barangays* of the city proper (*poblacion*) and peripheral urban areas.

Some action items have not been implemented or have not been implemented in full. The Compliance JIT has not been operationalized. Also, the development, installation and use of an automated inspection system is still being undertaken, beginning with the development of a mobile 'app' or tool for paperless checklists to be followed by a computerized database linked to existing city database systems. In terms of hiring and training of new qualified inspectors as well as existing inspectors, additional personnel have been hired to strengthen staff complement for inspection processes but is still deemed insufficient. Based on discussions with CEO, inspections can be expedited if more qualified personnel are hired together with the purchase of at least one other service vehicle. Additional personnel will also be required to fully satisfy the requirements of the Compliance JIT. At present, at least for CEO, construction-related permitting processes, including issuance of certificates of occupancy, are slowed down because similar personnel and service vehicles are utilized for the conduct of Safety inspections.

Especially for the JITs, orientation and simulation workshops have been conducted prior to their launch. While inspection manuals have not been formally developed, detailed guidelines which guide inspection processes have been developed, especially for the constituted JITs. For logistical support, at least for the Safety JIT, in consultation with member offices and departments, CEO, as the lead coordinator, has compiled and submitted a list of equipment and supplies required to adequately fulfill inspection procedures. This list also included several items needed by the DRIT team. Lastly, the compliance merit system for purpose of giving awards as planned have not been developed or designed.

### **3. Conclusions and Recommendations for Further Reforms**

Batangas City has improved its inspection reform processes as compared to previous years. As planned, it had created and operationalized two of three JITs – DRIT and Safety – and have issued executive orders for their institutionalization. It has also allocated more resources to hiring additional personnel. However, there are points for improvement, especially to speed up actual inspection processes and gaps between inspections of the different offices, especially during pre-registration phases, as well as communicating expected processes with registrants.

Based on the observations made during the assessment, the recommendations below are being presented to further improve the business inspection processes in Batangas City.

*Operationalization of joint inspection team for compliance (pre-registration phase).* The establishment of the Business and Occupancy Permit One-Stop Shop (BPOSS) is a welcome development and should be continued. However, several aspects can still be improved. One of these is the operationalization of the planned Compliance JIT. As observed, at least for the Occupancy Permit stage, consolidating inspections undertaken by CPDO, BFP, and CEO can dramatically cut total time spent by businesses for the entire process. The recommendation does not only apply for Occupancy Permits but should also be considered for the Building Permitting stage. Iloilo City had successfully established a JIT for pre-registration processes.

Similarly, good practices adopted by DRIT and Safety should be incorporated into the processes of the Compliance JIT, including prior written notice of inspection, use of a unified checklist, and conduct of post-inspection exit conferences.

*Establishing monitoring mechanisms for pre-registration processes, including inspections.* To ensure that processing times committed by the city government to clients per its citizen's charter documents are followed and fulfilled, the city government should develop a monitoring tool for pre-registration processes as stipulated in EO no. 16, series of 2014. The tool should be able to track each step in the process, including inspections (whether separate or joint) to identify specific bottleneck areas to serve as bases for coming up with appropriate measures.

Such monitoring mechanism should be automated through computer systems. To the extent possible, time recording of the different steps should automatically be captured ("time stamps") to minimize manual entry and avoid possible (belated) modifications by staff. The guiding principle is to minimize self-reporting/ manual entries.

*Automation of records for pre-registration processes and linkage with business permitting systems.* Related to the previous discussion, full automation of records is recommended. In some cases, during field work, some offices had difficulty retrieving information such as date of inspection and fees paid. A unified database for all concerned city government offices for record-keeping, including results of inspections, should be considered. As for BFP, since it is a national agency, data should

be mutually shared such as the practice in the BOSS for business permits. Going further, this unified database should be linked with the consolidated database being used for business permits (developed by third-party vendor Lexsys). CEO can be tasked to manage the database for pre-registration records.

*Better communication for inspection processes, especially for pre-registration phase.* The Citizen's Charter document posted outside the BPOSS does not include any discussion on inspections. CEO may wish to incorporate the conduct of inspections in the document to form a more detailed process flow for business registrants. Further, it is advisable to have a document that shows processes from the applicant's perspective. At the minimum, they would need to advise clients on which inspection processes are to be expected, together with items that they need to prepare during actual inspections.

*Minimize manual signatories to the extent allowable and legally possible.* As observed, in some cases, results of inspections and other processes within the pre-registration process get delayed because the signing authority was not present. The city government and BFP should avoid incurring delays because of the unavailability of designated signatories. They should use electronic signatures, or at the minimum, have backup mechanisms which formally designate alternate signatories in case the principal is not around.

*Pursue other planned reforms.* The last set of recommendations cover completing 'unfinished' reforms planned to be undertaken as per the action plan adopted in May 2013. These include the following:

- Finalize the automated inspection system using paperless/ electronic checklists. This can be piloted with the Safety JIT then replicated in other JITs once the system is robust and stable.
- Hiring additional qualified inspectors and allocating a larger budget for equipment.
- Development of comprehensive manuals for each of the JITs to guide current and future teams in the conduct of inspections. This will be useful for possible staff turnover and for orientation of additional staff to be hired in the future.
- Development of a compliance merit system to reward and acknowledge establishments which have consistently complied with various national and local laws and regulations. Aside from recognizing businesses, this element can be factored in the risk-based prioritization criteria of the city (i.e. such establishments to receive least priority for inspections given consistent outstanding compliance in previous years).

## **B. Iloilo City**

### **1. Introduction**

The streamlining of the inspection system in Iloilo City was one of the regulatory reforms that INVEST supported to improve the city's cost of doing business. In May 2014, it conducted an assessment of the inspection system to determine the progress of the inspection reforms that the city had pursued after the project had provided technical assistance. This was the third assessment conducted by INVEST. Its results can be compared with the 2012 baseline data and the follow-up 2013 assessment to determine the city's progress in this area of reform.

#### *a. Objectives, Scope and Methodology*

The assessment, conducted from May 6 to June 11, 2014, covered the inspection of businesses related to the issuance of new Mayor's permits and renewals in Iloilo City. The assessment

included a documentation of the inspection process, which aimed to describe the inspection processes/steps that business applicants follow in securing new permits or renewing existing permits. The results of the process documentation were used to assess whether the cities have further streamlined their inspection process compared to 2013 as documented. Similar to Batangas City and Cagayan de Oro, the inspection processes were tracked and documented from two (2) perspectives: the applicant and LGU.

## 2. Business Inspections Assessment

### a. Inspections Process Related to New Business Registrations

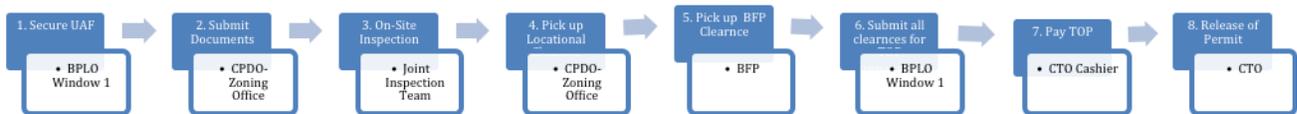
#### Applicants' Perspective

Iloilo City made significant changes in the business registration process in the middle of the assessment period (i.e. May 6 to June 11, 2014). In compliance with an EO issued by Mayor Jed Patrick Mabilog effective January 2014, on-site inspections were conducted by a joint inspection team (JIT) **prior** to the filing of business permit applications. However, beginning May 4, 2014, the Officer-in-Charge-Business Permits and Licensing Officer (OIC-BPLO) implemented a new process. Instead of conducting inspections before permit applications, inspections were undertaken **as part of (i.e. during)** the business permitting process. A new business applicant had to go through on-site inspection to get an occupancy permit and another on-site inspection to secure clearances from the Zoning Division (for locational approval), CTO, and BPLO.

After the Oversight Committee notified the BPLS-TWG of the resulting delays in processing times, the Mayor appointed a new OIC-BPLO in mid-May 2014. Beginning June 6, 2014, the BPLS system reverted back to **pre**-permitting inspection processes. Specifically, the JIT will only conduct inspections for clearances related to securing a certificate of occupancy, the main requirement in securing a business permit.

Figures 2 and 3 show the two different procedures.

**Figure 2. Process for New Business Registrations (May 6-June 5), Iloilo City.  
(Inspections Conducted During Permitting Process)**



**Figure 3. Process for New Business Registrations (June 6-July 18), Iloilo City.  
(Inspections Conducted Before Permitting Process)**

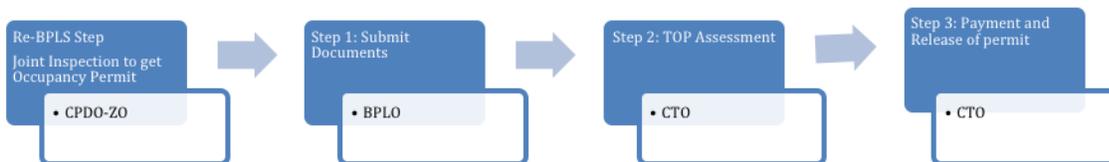
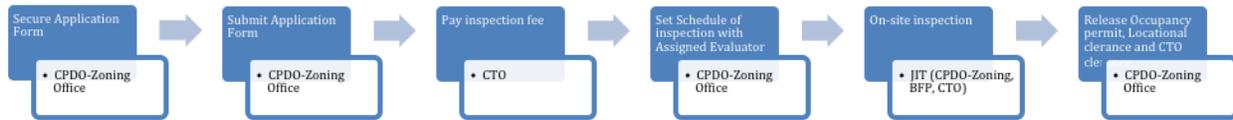


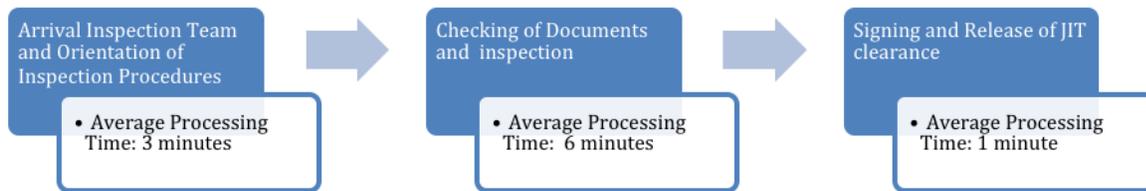
Figure 4 provides additional details on the process for securing occupancy permits. As observed, beginning June 6, 2014, only one on-site inspection (conducted by the JIT) is undertaken to get clearances for occupancy permit, locational clearance, and CTO clearance.

**Figure 4. Process for Securing Occupancy Permit (June 6-July 18), Iloilo City.**



The JIT conducts daily inspections. Applications received in the morning are scheduled for inspection in the afternoon while those received in the afternoon are scheduled for inspection in the morning of the following day. Based on the process documentation, it took an average of 10 minutes for the JIT to complete the inspection process (see Figure 5).

**Figure 5. Pre-Business Registration Joint Inspection Processes, Iloilo City.**



A total of seven (7) completed applications were tracked during the assessment period. Four (4) were tracked during the period when inspections were included in the main BPLS process while the other three (3) were tracked when these were done to get the occupancy permit (prior to application for a business permit).

The process documentation revealed highly significant results between the two processes, especially with regard to the number of steps and processing times. As indicated in Table 9, for permitting processes that incorporated inspections during the entire procedure, it took an average of eight (8) steps spanning over two (2) days to complete. Long additional waiting times were experienced since clients had to return another day. For the current, improved BPLS system which shifted inspections to the pre-registration phase (i.e. securing certificate of occupancy), it only took 3 steps and an average of 2 hours to secure the business permit (see Table 10).

**Table 9. Summary of Process Tracking for New Business Registrations: May 6-June 5 (Inspections Conducted During Permitting Process), Iloilo City.**

	Client 1	Client 2	Client 3	Client 4	Average
No. of Steps	8	8	8	8	8
No. of forms	1	1	1	1	1
No. of required documents	3	3	3	3	3
Processing Time	1 hr 56 mins	1 hr 30 minutes	1 hr 21 mins	1 hr and 6 mins	1 hour 28 mins
Travel time	24 mins	20 mins	12 mins	13 mins	17 mins
Waiting Time	1 hr 32 min	1 hr 10 mins	1 hour 9 mins*	53 mins	1 hour 11 mins
Additional waiting time (requesting clients to return the following day/s)	16 hrs	16 hrs	17 hrs 21 mins	20 hrs 16 mins	17 hours 24 mins

Total Processing Time	17 hrs 56 mins	17 hrs 30 mins	18 hrs 21 mins	21 hrs 22 mins	18 hrs 56 mins (2days 2 hours 56 mins)
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**Table 10. Summary of Process Tracking for New Business Registrations: June 6-July 18 (Inspections Conducted Before Permitting Process), Iloilo City.**

	Client 1	Client 2	Client 3	Average
No. of Steps	3	3	3	3
No. of forms	1	1	1	1
No. of required documents	4	4	5*	4
Processing Time	23 mins	34 mins	26 mins	28 mins
Travel time	1 min	10 mins	1 min	17 mins
Waiting Time	22 min	24 mins	25 mins	1 hour 11 mins

\*The client was asked to secure Community Tax Certificate (CTC) (cedula)

### LGU Perspective

This section discusses the process documentation of business inspections from the LGU perspective.

*Locational Clearance.* The City Planning and Development Office's Zoning Office followed a six-step process in releasing the Locational Clearance.

- Step 1: Receives the application with requirements (barangay clearance, and DTI/SEC registration). The receiving clerk orients the applicant on the process that must be followed and verifies completeness of the application. Once verified, the clerk endorses the application for inspection.
- Step 2: Schedules site inspection. The Senior Evaluation Officer assigns an Evaluation Officer/Inspector who reviews the application and schedules the conduct of site inspection.
- Step 3: Conducts site inspection. The Evaluation Officer conducts the inspection together with the **Joint Inspection Team** (BFP, CTO and BPLO) and signs the checklist. If there are no violations, the receiving clerk prepares the Order of Payment and directs the applicant to pay Zoning Fee to the CTO. If there are violations, the application is returned with a Notice of Violation and Order of Payment with corresponding penalty fees.
- Step 4: Receives payment of fees (CTO). As proof of payment, the attending Evaluation Officer (CPDO) asks the client for the machine copy of payment receipt. Upon receipt of the copy, the evaluation officer endorses the application to the Senior Evaluation Officer. During this step, the officer asks the applicant to wait for the clearance to be released on the same day or return to pick up the clearance.
- Step 5: Processing of application (post-inspection and payment). The client can follow up the application through phone or simply return to the CPDO Zoning Office. The Senior Evaluation Officer conducts a final review of the application and if complete, prepares the documents needed for issuance of the clearance. The Zoning Administrator will then sign the Locational Clearance.
- Step 6: Releases the Locational Clearance.

Table 11 shows that the average processing time is 4 days, exceeding the city's ARTA service standards which commit a maximum of two days. Applicants pay a flat rate of Php 100 as permit and inspection fee regardless of type or size of business.

**Table 11. Process Documentation for Securing Locational Clearance (LGU Perspective), Iloilo City.**

	Per ARTA	SAMPLES								AVE
		1	2	3	4	5	6	7	8	
No. of Steps	6	6	6	6	6	6	6	6	6	6
No. of Requirements	4	4	4	4	4	4	4	4	3	4
No. of Signatories	3	3	3	3	3	3	3	3	3	3
Processing Time	1-2 days	4 days	4 days	7 days	2 days	5 days	7 days	2 days	2 days	4 days
Fees (Php)	100	100	100	100	100	100	100	100	100	100

*Fire Safety Clearance.* The BFP follows a three-step process in the issuance of Fire Safety Inspection Certificate (FSIC).

- Step 1: Receives inspection order.
- Step 2: Joins the JIT in conducting the inspection. If there is no violation, BFP issues clearance immediately after inspection.
- Step 3: Prepares and issues the FSIC. The certificate is ready for release within the day (usually immediately after inspection if there is no violation or if the client satisfied the inspection requirements).

It should be noted that Step 2 of Fire Safety Clearance coincides with Step 3 of Locational Clearance (discussed previously) because of the JIT.

Table 12 shows that the average processing time is 19 days. However, the range of processing time recorded includes delays from the client. Even if the FSIC is already available (usually available the same day), the client does not necessarily pick up the certificate promptly. As per the Fire Code, fees are determined by the type and size of the business. As observed, the BFP does not provide service standards on signatories, processing times, and fees for this procedure.

**Table 12. Process Documentation for Securing Fire Safety Clearance (LGU Perspective), Iloilo City.**

	Per ARTA	SAMPLE								AVE
		1	2	3	4	5	6	7	8	
No. of Steps	3	3	3	3	3	3	3	3	4	3
No. of Requirements	3	3	3	3	3	3	3	3	4	3
No. of Signatories		3	3	3	3	3	3	3	3	3
Processing Time		4days	44days	28 days	21 days	31 days	16 days	7 days	4days	19
Fees (Php)		243	280	540	520	350	840	380		380

*Occupancy permit.* Beginning June 6, 2014, as discussed, the occupancy permit is released together with locational clearance, and CTO assessment clearance. The basis for both the occupancy permit and locational clearance is the conduct of joint inspections. Before the improved

process, required inspections for the occupancy permit were a separate process where the applicant sets the schedule.

Table 13 provides the results of the documentation of the process for securing occupancy permits prior to improvements implemented beginning June 6, 2014. These do not reflect the streamlined process brought about by unified inspection and issuance processes (as shown in Figure 4).

**Table 13. Process Documentation for Securing Occupancy Permit (LGU Perspective), Iloilo City (Before June 6, 2014).**

	Per ARTA	SAMPLE						AVE
		1	2	3	4	5	6	
No. of Steps	6	6	6	6	6	6	6	6
No. of Requirements	7	6	7	7	7	6	7	7
No. of Signatories	3	3	3	3	3	3	3	3
Processing Time	1-2 days	4 days	4 days	5 days	3 days	3 days	8 days	5 days
Fees	*depends on the total cost	400	1000	750	5000	2199	400	

*City Health Office (for Sanitary Permit).* The City Health Office (CHO) follows a four-step process in issuing a Sanitary Permit for new applications, both for food and non-food related businesses.

- Step 1: Receives the application with requirements.
- Step 2: Conducts inspections. If the applicant fails the inspection it is given a chance to comply within a prescribed period of time. Food establishments have to satisfy a stringent CHO inspection checklist.
- Step 3: Prepares issuance of Sanitary Permit. This includes the signing of the permit by the assigned inspector and the City Health Officer or an authorized representative.
- Step 4: Releases the sanitary permit.

The process for issuance of sanitary permits is a separate process from released of locational clearances and occupancy permits.

Table 14 shows that the processing time can range between one to 77 days, with an average of 23 days, as compared to the city's ARTA service standards. The documentation may have included applicants which had to take additional steps to comply given initial non-compliant findings during the first inspection.

**Table 14. Process Documentation for Securing Sanitary Permits (LGU Perspective), Iloilo City.**

	ARTA	SAMPLES								Ave
		1	2	3	4	5	6	7	8	
No. of Steps	4	4	4	4	4	4	4	4	4	4
No. of Requirements	3 (NF) 4 (F)	3 (F)	3 (F)	3 (F)	2 (NF)	2 (NF)	2 (NF)	3 (F)	1 (NF)	2 (NF) 3 (F)

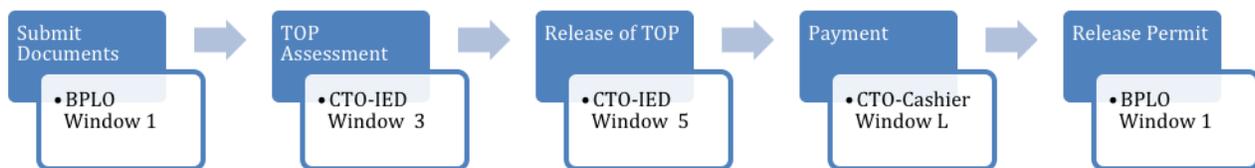
No. of Signatories	2	2	2	2	2	2	2	2	2	2
Processing Time	1 day	1 day	7 days	77 days	44 days	1 day	1 day	1 day	50 days	23 days
Fees	P500	P500	P500	P500	P500	P500	P500	P500	P500	P500

NF – non-food establishment; F – food establishment

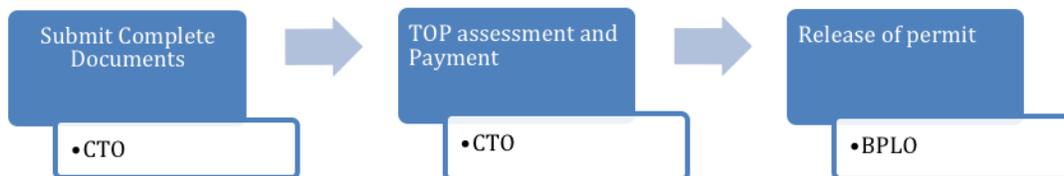
*b. Inspection Process Related to Renewal of Business Permits*

As previously discussed, the business permitting process of Iloilo City changed in the middle of the assessment period. The shift also covered improvements in the process of renewing business permits. Figures 6 and 7 show the difference between the processes implemented before and after June 6, 2014. The current process already integrates Tax Order of Payment (TOP) assessment, release, and payment into a single step. Because of this, Iloilo City’s renewal process only takes three steps, surpassing the standards imposed in the DILG-DTI JMC, series of 2010.

**Figure 6. Process for Renewal of Business Permits (May 6-June 5), Iloilo City.**



**Figure 7. Process for Renewal of Business Permits (June 6-11), Iloilo City.**



Further, improvements were realized, especially with regard to overall processing time. The average total time, including travel and waiting time, was less than 30 minutes in the current system. This is a marked improvement from the average time of almost 1 hour and 30 minutes experienced prior to June 6, 2014. Five businesses permit renewals were tracked for each of the two periods. These businesses failed to renew their permits during the prescribed renewal period (January 2014).

**Table 15. Summary Documentation of Business Permit Renewal Process, May 6-June 5 and June 6-11, Iloilo City.**

	Average (May 6-June 5)	Average (June 6-11)
No. of Steps	5	3
No. of forms	0	0
No. of required documents	5	3
Processing Time	41 minutes	10 minutes 20 seconds
Travel time	2 minutes	20 seconds
Waiting Time	39 minutes	10 minutes

Applicants' Perspective

No inspections were conducted for businesses that filed applications during and after the renewal period, including the sample of the businesses that generated the results documented in Table 15. Since none of the sample businesses were inspected, additional information was gathered for the assessment exercise by selecting business establishments randomly, scheduled to be inspected by concerned regulatory offices.

Only the BFP and CHO conduct post-inspections of renewing business establishments. The results of the process documentation for BFP inspections from the applicant's perspective is discussed below.

*BFP Inspection Process.* Four business applicants for renewal inspected by the BFP were tracked during the assessment period. The process, shown in Figure 8, takes three steps; this includes submission of inspection order, inspections, and release of the FSIC.

**Figure 8. Process for BFP Inspections (for Renewal of Permits), Iloilo City.**



Table 16 shows that total processing time, including inspections and release of FSIC averaged between two and three hours.

**Table 16. Summary Documentation of BFP Inspections Process (for Renewal of Permits), Iloilo City.**

	Client 1	Client 2	Client 3	Client 4	Average
No. of Steps	3	3	3	3	3
No. of forms	0	0	0	0	0
No. of requirement documents*	1	1	1	1	1
Processing Time	1 hr 6 mins	54 mins	2 hrs 23 mins	1 hour 18 mins	1 hour 25 mins
Travel time	49 mins	23 mins	1 hour 52mins	16 mins	50 minutes
Waiting Time	17 mins	31 mins	31 mins	1 hour 2 mins	35 minutes

\*Inspection Order

## LGU Perspective

This section discusses results of the process documentation for inspections related to business permit renewals from the perspective of the different regulatory offices.

*Business Permits and Licensing Office.* The BPLO did not conduct any inspection for business renewals because they prioritized the processing of new applications. The BPLO only conducts random inspections throughout the year.

*Bureau of Fire Protection (for Fire Safety Clearance).* Similar to the process followed in securing FSICs for new business registrations, the BFP follows a three-step process in the issuance of FSICs related to business permit renewals. Upon receipt of the inspection order, it joins the JIT in conducting the inspection and issues the clearance immediately after inspection. It then prepares the FSIC and is ready for release within the day (usually immediately after inspection if there is no violation or if the client satisfied the inspection requirements). The number of steps matches those documented from the applicant's perspective.

The length of processing time depends on when the clients could satisfy the inspection requirements and/or when they would pick up the FSIC. Table 17 shows that the entire process is generally completed within one day.

**Table 17. Documentation of Process for Securing Fire Safety Inspection Certificates for Business Permit Renewal (LGU Perspective), Iloilo City.**

	Per ARTA	SAMPLE													AVE
		1	2	3	4	5	6	7	8	9	10	11	12	13	
No. of Steps	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
No. of Requirements*	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
No. of Signatories		3	3	3	3	3	3	3	3	3	3	3	3	3	3
Processing Time(day)		1	1	1	1	1	2	1	1	1	1	1	1	1	1
Fees (Php)	*depends on the capital	340	94	350	294	340	280	600	425	110	470	200	363	88	304

\* Inspection Order (After Inspection Report), Previous FSIC

*City Health Office (for Sanitary Permits).* The CHO follows a four-step process in issuing a Sanitary Permit for renewing business applicants both for food and non-food establishments. This is similar to the process followed for issuance of sanitary permits related to new business registrations discussed in the previous section.

- Step 1: Receives applicant's requirements (3 for non-food establishments and 4 for food establishments), reviews completeness of required documents, and schedules on-site inspection.
- Step 2: Conducts on-site inspection together with the BPLO office. Food-related businesses have to satisfy the CHO inspection checklist which is accomplished during the actual inspection. If the applicant fails the inspection, it is given a chance to comply within a prescribed period of time.
- Step 3: Prepares the issuance of the Sanitary Permit. This includes the signing of the Sanitary Permit by the assigned inspector and the City Health Officer/Authorized Representative.
- Step 4: Releases the sanitary permit.

Table 18 shows that processing time far exceeds committed standards by the CHO's Citizen's Charter document. The city indicates an expected time of 25 minutes but it takes around 1 full day to secure the sanitary permit.

**Table 18. Documentation of Process for Securing Sanitary Permits for Business Permit Renewal (LGU Perspective), Iloilo City.**

	Per ARTA	SAMPLE												Ave
		1	2	3	4	5	6	7	8	9	10	11	12	
No. of Steps	4	4	4	4	4	4	4	4	4	4	4	4	4	4
No. of Requirements*	NF 3 F 4	NF3	NF**2	F** * 2	NF**2	NF**2	NF**2	F****3	NF****3	NF**	NF- 3	NF- 3	NF* *2	NF- 2 F- 3
No. of Signatories	2	2	1	2	1	2	1	2	2	2	2	2	1	2
Processing Time(day)	25 mins.	112	100	49	1	109	98	107	85		102	91	21	1 day
Fees (Php)		500	500	162. 50	187.50	500	500			500	500	500	500	435

\*Business Permit, Health Certificate, official receipt, water analysis (for food establishments)

\*\* No health certificate, no CHO signature

\*\*\* No health certificate, no water analysis

\*\*\*\* No copy of Official Receipt

*c. Assessment of the effectiveness of business inspections*

Table 19 shows the assessment of the effectiveness of business inspection for new business applications. The city complied with all the guidelines proposed in the USAID LINC-EG Guidebook, except for giving proper notice in scheduling inspections. Instead of transmitting formal written letters, this had been done verbally, either face-to-face or through telephone.

**Table 19. Summary Assessment of Effectiveness of Business Inspections (2014), Iloilo City.**

Guidelines as per LINC-EG Guidebook	CPDO	CHO	BFP	BPLO	CTO
1. Sufficiency of statutory/Regulatory Basis	Zoning Ordinance No. 2012-398, Series of 2012 of the City of Iloilo	Sanitation Code of the Philippines (P.D. 856)	Fire Safety and Protection Req. of the Fire Code of the Philippines and its IRR	EO	Local Tax Ordinance No. 2007-016
2. Proper Inspection Notice	Verbal notice only				
3. Proper Authorization	with authorization notice				
4. Proper Identification	ID and Uniform				
5. Registrant Representation during Inspection	With client representation				
6. Use of Inspection Checklist & Its Prior Disclosure	Checklist was used and disclosed prior to inspection				
7. Duration of Inspection Time (JIT)	10 minutes				
8. No. of Inspectors	1	1	1	1	1
9. Post Inspection Conference with Registrant	JIT discussed inspection findings and asks applicant to sign report				
10. Inspectors' Qualification	Licensed Engineer	Civil Service Sub Professional	Civil Service Professional and NAPOLCOM Eligibility, BFP Chief	Licensing Officer	

There is thus an improvement compared to the 2012 inspection system (presented in Table 20). For that period, the city was not compliant with four items: proper inspection notice; formal authorization, use (and disclosure) of inspection checklist, and maximum of two inspectors per agency.

**Table 20. Summary Assessment of Effectiveness of Business Inspections (2012), Iloilo City.**

Indicators	BPLO & CPDO	CTO	BFP
<b>Sufficiency of statutory/regulatory basis</b>	Iloilo City Comprehensive Land Use Plan (Regulation Ordinance 2001-72, Series of 2001) and HLURB Requirement	Local Revenue Code of Iloilo City, Tax Ordinance No. 2007-016 (Book V, Chapter II, Section 252 - 256)	Philippine Fire Code 2008 (RA 9514)
<b>Prior Inspection Notice</b>	Verbal Notice	Verbal Notice	Verbal Notice
<b>Proper Authority</b>	No Formal Authorization Letter	No Formal Authorization Letter	With Formal Authorization Letter
<b>Proper Identification</b>	Office ID	Office ID and Uniform	Office ID and Uniform
<b>Registrant Representation during Inspection</b>	Yes	Yes	Yes
<b>Use of Inspection Checklist &amp; its Prior Disclosure</b>	No	No	Yes Disclosure is done upon filing
<b>Duration of Inspection Time</b>	10 mins (average)	10 mins (average)	1 hour (minimum)
<b>Number of Inspectors</b>	3	4	9
<b>Post Inspection Conference with Registrant</b>	Yes	Yes	Yes
<b>Inspectors' Qualification</b>	Licensed Engineer with Field Experience	Must have 18 units of Accounting Subjects	Min. of 1 yr BFP and has completed Fire Arson Investigation & Inspection Course (FAIC)

Despite the improvement, the assessment showed that there are inconsistencies in terms of compliance with the city's ARTA Commitments. The city's citizen's charter documents posted in the city hall premises need to be updated. Offices like the BPLO, CTO, and the BFP were not able to update posters with the most recent indicators when the assessment was conducted. It is also unclear if the ARTA commitments, particularly steps, were based on applicant or LGU perspectives.

Significant variations between committed standards and actual client experiences have been noted, especially on processing times as seen in the various tables provided above. For example, for securing clearances related to new business registrations, CHO took an average of 23 days even if it committed completion in one day. Occupancy permits and locational clearances, were also issued in 7 and 5, days, respectively, greatly exceeding 2-day standards that the CPDO office had committed. For securing clearances related to renewal of business permits, similarly, CHO took one full day, far above the 25-minutes processing time it had committed.

*d. Assessment of the implementation of the city inspection reform action plans*

There were two workshops conducted in Iloilo City to develop its Inspection Reform Action Plan. The first workshop was conducted on October 7-8, 2012 and the second workshop on March 14-15, 2013. It was only in the second workshop that the Iloilo city officials formulated the city action plan with detailed activities and timeframes.

On July 29-31, a new action plan was crafted by the LEIPO and INVEST CPA, which contained package of streamlining, automation, and inspections reform interventions. Series of meetings with the BPLS TWG were conducted to finalized the plan. The mayor and the BPLS TWG met to finalize the plan. Specifically for inspection, a draft executive order adopting the new inspection system and reconstituting the JIT was crafted and approved in principle by the mayor in September 19, 2014. The draft EO with accompanying implementation guidelines contained the inspection reforms and actions (JIT, checklist, schedule, service quality standards) that the city intends to implement. A series of meetings with concerned offices and inspectors were conducted in September to discuss the new inspection system. A JIT was organized and conducted dry runs to pre-test the system. By October 2014, the new JIT became operational. The EO containing inspection reforms was formally signed February 2014. The table below shows the summary of inspection reform actions conducted by the city based on the revised inspection reform action plan.

**Table 21. Assessment of the Implementation of the Inspection Reform Action Plan, Iloilo City**

Action Item	Office	Implemented? Yes/No	Explanation/Comment
<b>Based on Action Plan</b>			
Draft EO/ guidelines inspection reforms (Joint Inspection Team)	LEIPO CPDO BPLO	Yes	The EO and guidelines were crafted by the LEIPO with the help of INVEST.
Finalize detailed business friendly inspection reform plan, Preparation of checklist, composition and schedules of JIT	BPLS TWG/ Oversight Committee	Yes	These were crafted by the LEIPO, the BPLS TWG and the Oversight Committee with the help of INVEST.
Present EOs to the Mayor for approval	BPLS TWG/ Oversight Committee	Yes	The mayor approved the EO/guidelines in principle in September 19, 2013. It was officially signed February 2014.
Re-echo (departments/units)	JIT/BPLS TWG	Yes	This was conducted September 20, 2013.
Pre-test inspection reform	JIT/BPLS TWG	Yes	This was conducted September 24 and 26, 2013.
Assessment of Pre-test	JIT/BPLS TWG	Yes	This was conducted September 27, 2013.
Start implementation	JIT/BPLS TWG	Yes	Start of implementation was supposed to be September 30, 2013. However, since the CTO put on hold the processing of new business applications on October and only started processing applications in mid-February, reform implementation was delayed to March 2014. There were also flaws in implementing the reforms and thus full implementation only started June 6, 2014.

Action Item	Office	Implemented? Yes/No	Explanation/Comment
<b>Based on EO/Operational Guidelines</b>			
1. Adoption of New System (based on EO/guidelines)			
a. Prior Inspection Notice for New Applicants	JIT	Yes	This was only through verbal notice (face to face or phone call).
b. Use of Official Unified Inspection Report	JIT	Yes	There were instances when the CTO inspectors did not sign the inspection report.
c. Post inspection- A year round inspection after the renewal period shall be conducted by the JIT.	JIT	Yes	The JIT conducted pre-inspection instead of post inspection. Post inspection of the BFP and CHO were conducted separately.
d. Observe rules of conduct during inspection	JIT	Yes	There were instances when the CTO fielded inspectors who are just job hires (not qualified inspectors).
e. Results of an inspection should be released by the JIT no more than one (1) day after the inspection	JIT	Yes	The JIT released the results upon completion of the inspection. The BFP issued clearance after signing the JIT checklist. There were instances however that the CTO inspector do not sign the checklist and thus the BPLO had to wait before it can release the after inspection report.
f. Inspections for Collection of Readily-Available Data- use of google maps/data sharing	JIT	No	Use of google maps and sharing of data were made possible by the on-line system developed by UPV only in October 2014 and will be used in 2015.
g. Elimination of Duplicative Inspections	JIT	Partial	For those with occupancy permit, there is no need for inspection. Others are still required to get locational clearances.
2. Operationalization of the JIT			
a. Composition based on EO/guidelines	BPLO/CPDO /BFP/CHO/CTO	Partial	There were instances when the CTO fielded inspectors who are just job hires (not qualified inspectors).
b. Duties based on EO/guidelines	BPLO/CPDO /BFP/CHO/CTO	Partial	There were instances however that the CTO inspector do not sign the checklist and thus the BPLO had to wait before it can release the after inspection report.

Mayor Mabilog issued EO no. 14 on February 14, 2014 with accompanying JIT guidelines. Such document also served as the city's inspection reform action plan. Except for a brief period between May and June 2014 when the business registration process was modified to incorporate inspections **during** the actual registration procedure, the inspection system of Iloilo City has generally followed the guidelines and actions indicated in the EO. The guidelines in the EO were

fully observed beginning June 6, 2014 with the implementation of a significantly-improved registration process.

### **3 Conclusions and Recommendations for Further Reforms**

The assessment showed several improvements in the inspection system of the city as compared with its processes in 2012 and 2013, especially with the implementation of a greatly improved business registration system in June 2014. For one, the establishment of a JIT for pre-registration inspections is highly commendable as it had significantly reduced steps and processing times. However, there are areas of reform, which Iloilo City can work on to further expedite and streamline its inspection processes. These are discussed in this section.

*Incorporate CHO inspection processes.* Processes for securing the sanitary permit seem to be a distinctly separate process from other inspections and clearance mechanisms, either for new registrations or permit renewals. At least for renewal purposes, CHO can participate in a post-permitting JIT (see succeeding recommendation). Further, the issuance of the actual permit can be integrated into the permitting process. As in the case of Batangas City, sanitary permits are issued together with the renewed business permit if the establishment had satisfactorily complied with CHO requirements as validated during scheduled inspections.

*Establish post-permitting JIT/s.* The creation of a JIT for pre-registration inspections required for securing locational clearance and occupancy permits is commendable. Similarly, it is recommended that Iloilo City establish a JIT for post-permitting inspections. Currently, regulatory offices that are mandated to conduct inspections, including BFP and CHO, conduct inspections separately. This JIT can likewise include other offices that need to conduct inspections, including the City Engineer's Office/ OBO.

*Institute regular inspections by the BPLO.* The assessment revealed that the BPLO only conducts random inspections throughout the year. In addition, during the assessment period, the BPLO did not conduct any inspections for business renewals because as reported, the office prioritized the processing of new applications. It is thus recommended that Iloilo City's BPLO conduct regular inspections. As shown in other cities' experiences, inspections by the BPLO office are important for the following reasons: (a) to check accuracy of information provided by the business during the application; (b) to check whether other permits are updated; (c) to ensure that permits and clearances are posted, as typically required; and (d) identify establishments operating without business permits.

*Update Citizen's Charter documents or make adjustments to fulfill service standard commitments.* As discussed in the previous section, some of the service standard commitments, as published in Citizen's Charter documents by the concerned regulatory offices, are not followed or realized, especially processing times. These should be updated accordingly. However, it is better for the offices to make process or personnel adjustments instead to realize posted commitments, especially number of steps and duration of processing times.

*Institutionalize monitoring systems.* Sustainability of reforms is dependent on regular monitoring activities of the various regulatory offices, as well as the BPLO office and the BPLS-TWG to ensure compliance with written guidelines (e.g. as stated in EO no. 14, series of 2014). The assessment tools introduced by the INVEST Project can be utilized to support these monitoring efforts. It is recommended that independent researchers are tapped to conduct the assessment exercises to ensure greater objectivity.

## C. Cagayan de Oro

### 1. Introduction

Cagayan de Oro has undertaken the streamlining of Business Permits and Licensing System (BPLS) with the support of the USAID INVEST Project. As an integral part of the business registration process, regulatory inspections constitute a significant reform area in the BPLS system because of its wide scope—involving at least five offices—and its impact on public health and safety.

To assist the city, the INVEST reform cycle (see Figure 9) was implemented beginning 2012. However, as a result of the change in leadership after the mid-term elections in 2013, organizational changes were implemented. These included replacement of the heads of regulatory offices, except the Bureau of Fire Protection (BFP).

The transition resulted in a temporary break in the reform process. Technical committees had to be re-constituted and another round of briefings on the principles and guidelines for business-friendly inspections had to be conducted for the newly appointed heads so that the action plans formulated previously may be confirmed and implemented.

Executive Order No. 202 was issued in November 2013, amending an EO issued in December 2010. The issuance created the Cagayan de Oro Joint Inspection Team (JIT) and put in place inspection guidelines which simply re-stated the proposed USAID LINC-EG Business-Friendly Inspection Guidelines.

#### *a. Objectives, Scope and Methodology*

The objective of the 2014 assessment is to assess the current inspection system and determine whether Cagayan de Oro had improved in terms of efficiency and effectiveness with respect to compliance on the following:

- DILG – DTI Joint Memorandum Circular 1, Series 2010;
- USAID LINC-EG Guidelines for Business-Friendly Inspection; and
- Anti-Red Tape Act (ARTA) Citizen’s Charter requirements.

The first INVEST assessment was conducted in May–July of 2012, followed by an action planning workshop in September 2012 with a follow-through workshop in March 2013. Another assessment was done in the third quarter of 2013. The results of the 2014 exercise were used to assess the degree to which the city had streamlined its inspection process from 2012 and 2013 as documented by the Project. Further, the assessment was used to identify areas for improvement, which the city may consider in pursuing future reforms in the inspection system.

Figure 9. INVEST Reform Cycle for Cagayan de Oro.



The study covered inspection processes in five (5) regulatory offices, namely CPDO, CTO, CHO, BFP, and OBO. For all of the five (5) offices, the city follows post-business permitting processes – i.e. after securing the business permit (either new application or renewal of permit), the business owner awaits advice as to the schedule of on-site inspections. OBO is included since the issuance of building and occupancy permits has been identified by the Mayor as a critical area for reform given numerous complaints from business owners who have faced delays in securing such permits. For this purpose, the city had entered into a Memorandum of Understanding (MOU) with the Mindanao University of Science and Technology (MUST) for the improvement of such permitting processes.

Similar to the assessments in Batangas City and Iloilo City, two types of processes were tracked with the help of researchers contracted by the Project: (a) the inspection process of applicants renewing their business permits; and (b) the inspection process for businesses applying for Mayor's permits for the first time. Similarly, these inspection processes were documented from two (2) perspectives: that of the applicant and that of the LGU.

## **2. Business Inspections Assessment**

As inspection processes for new business registrations and those related to permit renewals are relatively similar given that all inspections are undertaken after permit issuance, the discussion of results for Cagayan de Oro will not have separate parts for each of these processes. The discussion will be limited to two parts: (a) inspection processes from the applicant's perspective; and (b) inspection processes from the LGU regulatory offices' perspective.

### *a. Inspection Process from the Applicant's Perspective*

*Joint Inspection Team.* In compliance with EO no. 202, the city deployed the JIT, composed of CPDO, CTO, CHO, BFP, and OBO, beginning the 2nd week of May 2014. The BPLD representative was designated as Team Leader and provided administrative support, such as the preparation of the inspection schedule, request for documentary requirements and service vehicle, and issuance of notices of inspection to businesses. Each joint inspection entailed three steps.

- Step 1: Introduction. This includes a general briefing on the team's objectives and introduction of the members of the team.
- Step 2: Presentation of documents (i.e checklists) and conduct of actual inspection
- Step 3: Discussion of the results of the inspection with the business owner or designated representative.

Report preparation was done after the inspection and a copy of the report was submitted to the BPLD.

As observed during the assessment period, the CHO and/or the BFP often failed to join the JIT due to conflicting assignment schedules.

*City Treasurer's Office.* The inspector from the City Treasurer's/ Finance Office joins the JIT, which verifies the validity and integrity of the business establishment. CTO inspections usually take two steps. The applicant presents the business permit and tax receipts to the CTO inspector who then verifies the information contained in the tax mapping data sheet that CTO has on hand. If there are any discrepancies, the applicant receives a written notice of the result, thereby triggering a third step. Findings are incorporated in a unified summary form by the JIT. An establishment with tax deficiency or delinquency will be required to settle payments at their office. The average processing time is three (3) minutes as shown in Table 22.

**Table 22. Process Documentation of CTO Inspections (Applicant's Perspective), Cagayan de Oro.**

<i>Type of Process Tracking: New Registration and Permit Renewals</i>													
<i>BPLS Standards/ Client No.</i>	1	2	3	4	5	Ave. (1-5)	6	7	8	9	10	Ave. (6-10)	Ave. (1-10)
<i>No. of Steps</i>	2	2	2	2	2	2	2	2	2	3	3	2 to 3	3
<i>No. of Signatories</i>	1	1	1	1	1	1	1	1	1	1	1		1
<i>No. of Forms</i>	na	na	na	na	na	na	na	na	na	na	na		na
<i>No. of required documents</i>	2	2	2	2	2	2	2	2	2	2	2		2
<i>Processing Time (in seconds)</i>	9	13	11	132	15	36	65	300	600	200	253	283.6	159.8

*City Health Office.* For sanitary inspections, the process takes two steps. First, the applicant is asked to present the business' current sanitary permit and employee health cards. The inspector then gives a copy of the city ordinance on the health permit and proceeds to verify the information provided by the business representative. On average, the whole process takes 3 minutes to complete. This is shown in Table 23.

**Table 23. Process Documentation of CHO Inspections (Applicant's Perspective), Cagayan de Oro.**

<i>BPLS Standards/ Client No.</i>	<i>Type of Process Tracking: New Registrations</i>						<i>Type of Process Tracking: New Registrations and Permit Renewals</i>						<i>Ave. (1-10)</i>
	1	2	3	4	5	Ave. (1-5)	6	7	8	9	10	Ave. (6-10)	
<i>No. of Steps</i>	2	2	2	2	2	2	2	2	2	2	2	2	2
<i>No. of Signatories</i>	2	2	2	2	2	2	2	2	2	2	2	2	2
<i>No. of Forms</i>	1	1	1	1	1	1	1	1	1	1	1	1	1
<i>No. of required documents</i>	3	3	3	3	3	3	3	3	3	3	3	3	3
<i>Processing Time (in seconds)</i>	724	40	26	80	50	184	374	408	240	20	5	209	196.8

*Bureau of Fire Protection.* The BFP inspection process consists of three steps, namely:

- Step 1: Introduction and presentation of documents. The mission order is presented to and signed by the business representative. The registrant is also asked for the business' current Fire Safety Inspection Certificate (FSIC)
- Step 2: Conduct of inspections.
- Step 3: Discussion of inspection results and instructions.

Part of the process in issuing a building and occupancy permit is the inspection conducted by the Bureau of Fire Protection (BFP) personnel based on the Fire Code of the Philippines. The Fire Safety Inspection Certificate (FSIC) is released by the BFP following an applicant's compliance with "Fire and Life Safety" requirements.

As shown in Table 24, the process takes an average of 17 minutes.

**Table 24. Process Documentation of BFP Inspections (Applicant's Perspective),  
Cagayan de Oro.**

<i>Type of Process Tracking: New Registrations</i>							<i>Tabulation of Process Tracking: Permit Renewals</i>						Ave. (all)
<i>BPLS Standards/ Client No.</i>	1	2	3	4	5	Ave (1-5)	1	2	3	4	5	Ave. (1-5)	
<i>No. of Steps</i>	3	3	3	3	3	3	3	3	3	3	3		
<i>No. of Signatories</i>	3	3	3	3	3	3	3	3	3	3	3		
<i>No. of Forms</i>	1	1	1	1	1	1	1	1	1	1	1		
<i>No. of required documents</i>	2	2	2	2	2	2	2	2	2	2	2		
<i>Processing Time ( in mins )</i>	10.4	10.7	10.7	7.2	11.6	10.2	13.2	17.1	12.9	7.3	71.1	24.3	17.2

*Office of the Building Official and CPDO (Zoning Division).* The Office of the Building Official (OBO) representative to the JIT checks whether an occupancy permit had been issued and displayed as required by city ordinance. Some establishments do not have an occupancy permit but claim to have filed an application to secure one.

The CPDO representative joins the OBO since zoning clearance is a building permit requirement. The inspector checks if the actual location coincides with the address given and conforms to the zoning ordinance.

Similar to other inspection processes, the process takes three steps – introduction, conduct of actual inspections, and discussion of results and required next steps, if applicable.

As shown in Table 25, the process takes 8 minutes to complete on average.

**Table 25. Process Documentation of OBO and Zoning Inspections (Applicant's Perspective), Cagayan de Oro.**

<i>Type of Process Tracking: New Registrations</i>								<i>Tabulation of Process Tracking: Permit Renewals</i>							Ave. (1-12)
<i>BPLS Standards/ Client No.</i>	1	2	3	4	5	6	Ave. (1-6)	1	2	3	4	5	6	Ave. (1-6)	
<i>No. of Steps</i>	3	3	3	3	3	3	3	3	3	3	3	3	3		
<i>No. of Signatories</i>	2	2	2	2	2	2	2	2	2	2	2	2	2		
<i>No. of Forms</i>	-	-	-	-	-	-		-	-	-	-	-	-		
<i>No. of required documents</i>	1	1	1	1	1	1	1	1	1	1	1	1	1		
<i>Processing Time (in mins.)</i>	10.1	4.2	5.8	7.1	6.7	4.9	6.5	7.2	9.3	11.4	13.4	8.8	5.9	9.3	7.9

*Business Permits and Licensing Division (BPLD)*. The BPLD checks whether business permits and business plates are displayed conspicuously by the establishment and verifies information from these documents. The inspection process also follows the standard three-step process employed by the other offices. As shown in Table 26, the process takes around 10 minutes to complete on average.

**Table 26. Process Documentation of BPLD Inspections (Applicant's Perspective), Cagayan de Oro.**

<i>Type of Process Tracking: New Registrations and Permit Renewals</i>																
<i>BPLS Standards/ Client No.</i>	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	<i>Av e. (1-15)</i>
<i>No. of Steps</i>	3	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
<i>No. of Signatories</i>	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
<i>No. of Forms</i>	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
<i>No. of required documents</i>	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
<i>Processing Time</i>	10.3	10.6	12.7	11.7	7.1	7.17	1.5	11.5	15.4	5.7	8.6	11.2	8.6	8.3	1.8	9.8

*b. Inspection Process from the LGU Perspective*

The assessment from the LGU perspective compared sample inspection processes with committed service standards as per Citizen’s Charter documents in compliance with the ARTA. This is the city’s first attempt at formulating citizen’s charter documents.

Tables 27-32 show that regulatory offices generally comply with standards indicated in their respective charters. It is important to note however that the data presented in the tables were derived mostly from interviews as records were not properly maintained in log books or databases. On the other hand, the local BFP unit did not have an officially prepared citizen’s charter and did not have official records on the release dates of FSICs.

Processing times generally validated the results of the documentation from the applicant’s perspective as discussed in the previous section. There is only a slight difference between the two sources of data for the BPLO office. Client tracking revealed an average of 9 minutes as compared to only 5 as reported by the office (LGU perspective). However, the average falls within the office’s ARTA commitment (i.e. completed in 5 to 15 minutes).

There are also slight discrepancies with regard to the number of requirements and signatories. For example, based on client perspective tracking, CHO processes required 3 documents and had 2 signatories. The interviews and ARTA standards only indicated 1 each.

**Table 27. Documentation of Inspection-Related Processes by the OBO (LGU Perspective), Cagayan de Oro.**

		ARTA	NEW					RENEWAL									
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<i>Steps</i>		6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
<i>requirements</i>		17	17	17	17	17	17	15	15	4	15	10	15	15	17	6	17
<i>signatories</i>		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
<i>Processing (days)</i>	<i>commercial</i>	2	4	2		2	2	2	2			2			2		2
	<i>residential</i>	3								3	3		2	3			
	<i>institutional</i>				4												2
<i>Fees (Php)</i>	<i>commercial</i>	100-800	400	325		325	325	325	325			none			325		325
	<i>residential</i>	200-1000								253	253		253	253			
	<i>institutional</i>	150-900			250												325

**Table 28. Documentation of Inspection-Related Processes by the CPDO Zoning Division (LGU Perspective), Cagayan de Oro.**

		ARTA	NEW					RENEWAL									
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<i>steps</i>		3	4	3	6	3	3	4	4	4	4	4	4	4	4	4	4
<i>requirements</i>		2	1	1	2	1	1	2	2	2	1	2	1	1	2	2	2
<i>signatories</i>		1	1	2	1	1	1	1	1	1	1	1	1	1	1	1	1
<i>Processing</i>	<i>commercial</i>	1 day 35min	2h, 10 m	5- 10 m	5-10 m	5 m	5- 10 m	5- 10 m	5- 10 m	10 m	5m	5m	5m	5m	5- 10 m	5- 10 m	5- 10 m
	<i>residential</i>																
	<i>institutional</i>																
<i>Fees</i>	<i>commercial</i>	none			5000		500	500	500	500		500			500	500	500
	<i>residential</i>																
	<i>institutional</i>																

**Table 29. Documentation of Inspection-Related Processes by the BPLD (LGU Perspective), Cagayan de Oro.**

	ARTA	NEW					RENEWAL									
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<i>steps</i>	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
<i>requirements</i>	3	3	3	3	3	4	3	3	3	3	4	3	3	3	3	3
<i>signatories</i>	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
<i>Processing (minutes)</i>	5-15 min	5	7	5	4	3	3	3	3	3	3	5	2	2	3	5
<i>fees</i>	none															

**Table 30. Documentation of Inspection-Related Processes by the CTO (LGU Perspective), Cagayan de Oro.**

	ARTA	New					Renewal									
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
steps	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
requirements	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
signatories	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
processing	1 day	5 - 10 min														
fees	-	-														

**Table 31. Documentation of Inspection-Related Processes by the CHO (LGU Perspective), Cagayan de Oro.**

	ARTA	NEW					RENEWAL									
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
steps	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
requirements	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
signatories	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
processing	15min	9min	8min	9min	10 min	11 min	9min	10 min	10 min	7min	11 min	12 min	7min	8min	12 min	11 min
fees	none	none	none			none	none									

**Table 32. Documentation of Inspection-Related Processes by the BFP (LGU Perspective), Cagayan de Oro.**

	ARTA	NEW					RENEWAL									
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
steps	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
requirements	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
signatories	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Processing (minutes)	35	40	42	30	20	30	45	35	30	25	30	40	20	40	30	35
fees	10%															

*c. Assessment of the implementation of the city inspection reform action plans*

This section compares the inspection processes of the various regulatory offices with guidelines proposed in the USAID LINC-EG guidebook on business-friendly inspections.

Table 33 provides a comparison of processes in 2014 with previous years for CTO, BFP, and CHO. Only BFP and CHO were covered in the assessment exercise for 2012 and 2013. Compared with 2012 and 2013, significant improvements were realized. For example, almost all offices, except for CTO, had, by 2014, already utilized checklists

during inspections. Proper authorization had also been achieved as well as the use of proper identification during on-site inspections. All offices have also institutionalized the conduct of post-inspection conferences with the representative on hand to discuss results of the inspection. The number of inspectors had also been further rationalized, especially for CTO which had reduced its inspection team from 6 people to only 1 representative.

On the other hand, further improvements that can be undertaken include preventing long inspection processing times and refraining from undertaking surprise visits, as in the case of BFP.

**Table 33. Comparison of Selected Regulatory Offices' Inspection Processes from 2012 to 2014 with Proposed USAID LINC-EG Guidelines, Cagayan de Oro.**

Guidelines	CTO		CHO			BFP		
	2013	2014	2012	2013	2014	2012	2013	2014
<i>Sufficiency of statutory or regulatory basis</i>	Sec 143 of the LGC	Sec 143 of the LGC	PD 856, PD 522, 1995 Codified Ordinance	same	Same	Fire Code of the Philippines	same	same
<i>Prior inspection notice</i>	No	No	No	No	Yes	No, by their SOP	same	Same
<i>Proper Authority</i>	No	Yes	No	No	Yes	Office order	same	Same
<i>Proper Identification</i>	Office ID	Yes	ID	None	Yes	Proper badge and uniform	same	Same
<i>Registrant representation during inspection</i>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<i>Use of inspection checklist and its prior disclosure</i>	Checklist used but no prior disclosure	No	Yes, disclosure during inspection	No checklist but applicable provision of Sanitation Code	Yes	Yes, disclosure during inspection	Yes, no prior disclosure	Checklist used, no prior disclosure 10
<i>Duration of Inspection time</i>	10 mins.	10 mins.	30 mins	49 mins.	60 mins.	Depends on size of structure	53 mins.	1-6 days
<i>Number of Inspectors</i>	6	2-3	1	3	1	2	2	2
<i>Post inspection conference with registrant</i>	yes	yes	yes	no	Yes	yes	yes	Yes
<i>Inspectors' Qualification</i>	College graduate with on the job experience	Same	College graduate with relevant training	same	Same	College graduate with relevant training	same	Same

Table 34 presents results of the comparison for all regulatory offices' inspection processes in 2014. The use of a unified checklist for the JIT is commendable, as well as relatively fast inspection times, except for OBO which takes 3 to 6 days. This figure,

however, covers the entire duration of processing the actual occupancy permit. Similar to Table 33, all offices engage in post-inspection conferences with the client, except for CTO. In general, the guidelines mandated by EO 202, were followed especially by the agencies involved in the JIT.

**Table 34. Comparison of Regulatory Offices' Inspection Processes in 2014 with Proposed USAID LINC-EG Guidelines, Cagayan de Oro.**

Guidelines	CPDO	OBO	BPLO	CTO	CHO	BFP
Sufficiency of Statutory /Regulatory	Zoning ordinance, local manual	City council resolution, city ordinance, Building code	City ordinance	Procedures follow sec 143 of the Local Government code (RA7160)	Procedure follows P.D.856, P.D. 522 and the 1995 codified ordinance of CDO	Fire code of the Phil
Prior Inspection Notice	Letter	Annual notice, request for inspection before occupancy	Inspection notice	No	Yes	Surprise visit
Proper Authority	Letter of request	Part of function, letter of request	Executive Order	Letter of request	Inspection order	Inspection order
Proper identification	ID	ID	ID	ID	ID	Uniform, ID
Registrant representation during inspection	Owner or representative	Owner, Engineer	Owner or representative	Owner or representative	Owner or representative	Owner or representative
Use of inspection Checklist and its Prior disclosure	Unified BPLO checklist	Checklist given over the counter before filing application	Unified BPLO checklist	No	Yes	Checklist, no prior disclosure
Duration of Inspection Time	5 min	3–6 days	10–20 min	10 min	60 minutes	1–6 days
Number of Inspectors	One in JIT	1–2	2 in JIT	2–3	One in JIT, 2–3 in teams	2 per team (8 teams)
Post inspection conference with Registrant	Yes	Yes	Yes	Yes	Yes	Yes
Inspectors' Qualification	City Hall employee who is a college graduate and with relevant experience	2–3 months OJT licensed CE	College graduate with relevant experience and training	Any college course with relevant training and OJT experience	College graduate with relevant training	FAIC training (40 hrs), graduate of any course

*City Planning and Development Office (CPDO).* The task of inspectors from CPDO is to verify compliance by the establishment with zoning requirements mandated by the Local Government Code and determined by the local zoning ordinance. The inspector usually joins the JIT so that the authority to inspect and prior inspection notice is carried out by the team. CPDO has a separate checklist (the inspector during actual observation did not have a copy on hand) but the results and findings of the inspection are incorporated

into the unified checklist of the JIT. The office has three (3) inspectors on assignment but only one joins each JIT group.

*Office of the Building Official (OBO).* The basis for the conduct of OBO regulatory inspections is a mandate from the National Building Code, localized by a city ordinance. The department disseminates an annual notice of inspection other than requests made by owners prior to occupancy as one of the requirements for a permit. Their authority is carried by their functions as government employees enforcing the mandate to safeguard life, health, property and public welfare. Three (3) engineers are assigned to this job at present – two (2) for inspections related to the issuance of building permits and one (1) for those related to occupancy permits. These are licensed civil engineers that have undergone two or three month-long on-the-job training. Clients can easily identify them because of proper identification. Post inspection conference with the client occurs on-site or through written communication, depending on the evaluation.

*Bureau of Fire Protection.* At present, eight (8) BFP inspection teams are deployed in several jurisdictions throughout Cagayan de Oro City, of which two (2) inspectors are assigned to each. Each inspector has undergone the Fire Arson Investigation and Inspection Course (FAIIC), a training course for fire safety inspectors, or its equivalent. BFP does not provide prior inspection notice purposely to ascertain that the client complies with the requirements at all times. The proper authority is given through an inspection order signed by the BFP head and the chief inspector with the two assigned inspectors.

The inspection team conducts their own schedule of inspections separate from the Joint Inspection Team (JIT) of the City Hall due to the lengthy inspections they have to undergo (as reported). They let the owner or his representative sign the inspection order at the start of the inspection process after informing him or her of the purpose of the visit. The team makes use of a checklist of requirements not previously disclosed but assumes that the owner is aware of its elements especially after having previously applied for an occupancy permit. The inspector informs the owner or representative of violations, if any, during the post-inspection conference after the inspection procedure.

The whole inspection procedure prior to obtaining the FSIC takes about 5 to 6 days. The office in charge of inspection however has no logbook to properly record the inspection data as well as the FSIC issuance date. Instead, the office compiles the inspection notices and lists of establishments that have been inspected.

During the assessment period, the BFP assigned inspectors to join the JIT to inspect compliance by establishments, only with regard to fire safety documentary requirements. Most of the establishments inspected had no FSIC, which required them to visit the BFP office for application, after which, proper inspection will follow.

*d. Assessment of the implementation of the city inspection reform action plans*

Table 35 shows the inspection reform action plan of the various regulatory offices in Cagayan de Oro as consolidated by the BPLD. These plans were formulated during the March 2013 workshop supported by INVEST.

**Table 35. Consolidated Inspection Reform Action Plan, Cagayan de Oro.**

<b>PROPOSED REFORM/S</b>	<b>STEPS / ACTIVITIES</b>	<b>TIME FRAME</b>	<b>RESPONSIBLE PERSON / OFFICE</b>	<b>RESOURCES NEEDED</b>
<p><i>1. Use of uniform Barangay clearance form for business</i></p> <p><i>- Alternative action is through issuance of Executive Order</i></p>	1.1 Prepare Draft ordinance and draft uniform barangay Clearance Form	- March 22-27, 2013	BPLD	Supplies, Snacks
	1.2 Review of the Draft ordinance and draft Brgy. Clearance form by regulatory offices	- April 1-3, 2013	BPLD, CPDO, BFP, CTO, CHO, OBO	
	1.3 Consult Liga ng Barangay President on the draft ordinance and the draft brgy. clearance form	- April 3-5, 2013	BPLD, ABC President	
	1.4 Consult Other Councilors for legislative support	- April 8-12, 2013	BPLD, Coun. Juan Sia, Coun. Abejuela	
	1.5 Review of the Draft ordinance and draft brgy. Clearance by Legal Office	- April 15-30, 2013	City Legal Office	
	1.6 Seek approval of the Mayor of the draft ordinance and brgy. clearance form	- May 2-17, 2013	Office of the Mayor	
	1.7 Enactment of the ordinance	- May 18-June 17, 2013	City Council, Office of the Mayor	
	1.8 Orientation of all brgys. of the uniform brgy. clearance form	- June 18 - 30, 2013	BPLD, Community Affairs Office	
	1.9 Implementation			
<p><i>2. Checklist for inspection by office</i></p>	2.1 Gather checklist from regulatory offices	- March 22 - April 5, 2013	BPLD, CPDO, BFP, CTO, CHO, OBO	
	2.2 Attach the checklist to the business	- May 2, 2013	BPLD	

	permit being issued			
3. <i>Install Integrated Computerized System</i>	3.1 Submit data requirements for the conduct of inspection to IT transition team created by E.O _ dated_.	- April 6 - May 6, 2013	BPLD	Refer to IT Action Plan
	3.2 Incorporation of inspection data requirement by the IT transition team for systems design	- May 7, 2013 onwards	IT transition team	

The assessment of the extent to which the plan had been implemented revealed the following:

- The uniform barangay business clearance was not implemented because the new administration had the support of less than 25 percent of the barangays (i.e. different political affiliations). The process slightly improved only after the barangay elections in October 2013.
- The regulatory offices were still using old procedures and checklists. The significant improvement that can be noted in this component was the mobilization of the JIT and general compliance with the guidelines and the DILG-DTI JMC no. 1, s. 2010. After a series of orientation sessions, in May 2014, the JIT started its operations in compliance with the EO 202 issued in November 2013.
- The formulation of an Information System Strategic Plan (ISSP) for Cagayan de Oro, completed in April 2014, was supported by the INVEST Project through a workshop conducted in October 2013. One of its main features is an integrated computerized system for the regulatory offices that would enable more efficient documents tracking and tagging of violations or non-compliances. Moreover, the MUST is preparing a computerized system design for the OBO. However, the proposed Php 5 million-budget in the 2014 budget to start off the computerization effort had not been approved.

### 3. Conclusions and Recommendations for Further Reforms

The assessment showed several improvements in the inspection system of the city as compared with its processes in previous years. For one, the operationalization of a JIT is highly commendable as it had significantly reduced steps and processing times. However, there are areas of reform which Cagayan de Oro can work on to further enhance its inspection processes. These are discussed in this section.

*Involve BFP and CHO in the JIT.* The city government should strive to enter into an agreement with BFP for participation in the city's JIT. These would minimize the number of inspection visits to businesses and curb potential corrupt practices. And these should not be limited to validating fire safety documentary requirements but full-blown inspections. Simple checking of FSICs can be deputized to other offices if warranted.

Other than BFP, the city must ensure that CHO participates in the JIT regularly, as mandated by EO no. 202, series of 2013. Observations revealed that CHO was often not involved in the joint team during the assessment period.

*Establish and maintain proper record-keeping mechanisms.* The documenters did not get required data from the LGU's perspective immediately because not all offices maintained a log book or database, or had record-keeping mechanisms that did not capture or store important data. As discussed, MUST is designing a comprehensive system that will likely resolve this issue. However, even before such a system is installed, each individual office should put in place such a system, even if on manual mode. The system should at least capture information supplied by clients through application forms, application and issuance dates of permits, inspection results, and fees paid.

*Better compliance with proposed business-friendly inspections.* The assessment vis-à-vis proposed LINC-EG guidelines revealed some areas that need to be improved. One is to ensure prior inspection notice. It has been observed that BFP's protocol includes surprise visits. This may not be productive as the owner or a capable representative will be on hand to answer queries. Also, the assessment showed that the duration of inspections have been increasing through the years. Adjustments have to be made to maintain reasonable processing times and prevent inspections from taking too long.

# **ANNEX 1: GUIDELINES IN THE 2014 ASSESSMENT OF THE REFORMED INSPECTION SYSTEM IN INVEST PARTNER CITIES**

## **I. Introduction**

Inspection is an integral part of the business permitting process. It is usually undertaken to ensure that a business has complied with regulatory requirements emanating from various laws that serve to protect public interest and welfare. However, the conduct of inspections by LGUs has added to the complexity of the business permitting process in the Philippines, in terms of procedures that require time to complete. Hence, the INVEST project included the streamlining of the inspection system in its partner cities as one of the regulatory reforms that it will undertake to reduce the transaction cost of doing business.

The approach adopted by INVEST was two-pronged. As an initial step, baseline data on inspection practices in the three partner cities was gathered from May to July 2012.<sup>3</sup> The results of the assessment were intended to serve as important bases for the reform agenda the cities would pursue in improving their inspections processes and for which INVEST support would be provided. Two workshops were subsequently conducted in each of the three cities, the first one from end-September to October 2012 aimed at (1) validating the third party assessment of the inspection systems in the cities; (2) reviewing and mapping the current end-to-end business permitting processes with the inspection; (3) training the city officials on how to set-up a business friendly inspection system; and (4) designing a streamlined end-to-end business permitting process with inspections. A second workshop was conducted in March and April 2013 in each of the cities to assess the effectiveness, efficiency, transparency, and fairness of the inspection systems as well as the reasonableness of inspection fees using the framework of the USAID-LINC-EG study, *A Guidebook for Local Governments on the Conduct of Business Friendly Inspections*. Based on the identified business inspection reforms in the first workshop, the city officials formulated city action plans with detailed activities and timeframes.

Because of the intervening mid-term elections in May 2013, partner cities requested more time to implement the city action plans on business friendly inspection. Hence, the assessment on the reformed business inspection process was made from September to October 2013. Another assessment will be undertaken this year (2014) to establish information that can be compared with the 2012 baseline data and the follow-up 2013 assessment. This guide is intended to assist the City Program Advisers (CPAs) in overseeing the conduct of the assessment, which will be cover the inspection of businesses related to the

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<sup>3</sup> A report entitled “Integrated Assessment Report on Business Registration-linked Inspections Processes: Cities of Batangas, Iloilo and Cagayan de Oro” was submitted to USAID on October 7, 2012.

issuance new and renewed Mayor’s permit in partner cities to be undertaken in the second week of April 2014.

## II. Roles and Responsibilities of the City Program Advisers (CPAs)

In general, the CPAs are expected to oversee the 2014 assessment of the business inspection process in their respective cities. The assessment will cover Inspections conducted in LGUs related to business registration, namely: (1) inspections related to the issuance of occupancy permit as provided for in the National Building Code (PD 1092) and its IRR, (2) zoning inspections assigned to the CPDO which is provided for in the Local Government Code and are determined by local zoning ordinances; (3) fire inspections which are expressly required for the issuance of a business permit by the Fire Code of the Philippines of 2008; and (4) health and sanitary inspections that are usually required by LGUs and linked to the business registration process. The Sanitation Code actually only requires a permit for a few types of businesses, not to all. Additionally, some LGUs conduct other types of inspections as mandated by its local regulations and that are required to be complied with during the business registration phase. An example would be environmental inspections in Batangas City. In addition, inspections conducted by the Business Permit and License Office (BPLO) and the City Treasurer’s Office (CTO) will be included in the assessment.

### A. Contracting of Process Documentors

The CPAs have the responsibility to select, hire and train the process trackers/documentors. Process tracking will be done from two perspective – applicant and LGU. Process trackers A and B will document the process from the **perspective of the applicant**. Each sample is equivalent to two (2) days so an individual process tracker will render 8 days for the 4 samples. In addition, the process trackers will gather data/information that will be needed in the assessment of the effectiveness of business inspections (see section IV-A for details).

#### Process Tracking from the Applicant Perspective

Process Tracker	Type of Sample	Regulatory Office	No. of Sample	No. of days
Documentor A	New Applicant	BPLO CPDO, BFP CENRO CHO, CTO	4	8
Documentor B	Renewing Applicant	BPLO, BFP CENRO, CHO	4	8

On the other hand, the lead documentor/researcher and Asst. documentor/researcher will conduct documentary gathering and analysis, process tracking and interview from the **perspective of the LGU/City**. In addition, the lead documentor/researcher will gather data/information from the LGU/City that will be needed in the assessment of the extent of implementation of the city reform inspection action plans (see Annex D). For the additional work, the documentor/researcher will be given an additional of 2 days.

**Process Documentation from the LGU Perspective  
Iloilo City**

	Type of Sample	No. of Samples*	No. of Regulatory Offices	No. of days
Lead Documentor/ Researcher	New Applicant	3	5 CTO, CPDO, BFP, CHO, CTO	1 day in each regulatory office or total of 5 days
	Renewing Applicant	5	4 BPLO, CPDO, BFP, CHO	1 day in each regulatory office or total of 4 days
	Assessment of City Inspection Action Plans		5 BPLO, CTO, CPDO, BFP, CHO	2 days
	<b>Sub-Total</b>			<b>11 days</b>
Asst. Documentor/ Researcher	New Applicant	3	5 CTO, CPDO, BFP, CHO, CTO	1 day in each regulatory office or total of 5 days
	Renewing Applicant	5	4 BPLO, CPDO, BFP, CHO	1 day in each regulatory office or total of 4 days
	<b>Sub-Total</b>			<b>9 days</b>
<b>Total</b>				<b>22 days</b>

\*Note: The number of samples indicated is the minimum.

In the case of Batangas City and Cagayan de Oro City, the inspection process in the City Environment Office (CENRO) will also be assessed. This means there will be 7 regulatory offices.

**Process Documentation from the LGU Perspective  
Batangas City & Cagayan de Oro City**

	Type of Sample	No. of Samples*	No. of Regulatory Offices	No. of days
Lead Documentor/ Researcher	New Applicant	3 per regulatory office	5 CTO, CPDO, BFP, CHO, CENRO	1 day in each regulatory office or total of 5 days
	Renewing Applicant	5 per regulatory office	5 BPLO, CPDO, BFP, CHO, CENRO	1 day in each regulatory office or total of 5 days
	Assessment of City Inspection Action Plans		6 BPLO, CTO, CPDO, BFP, CHO, CENRO	2 days
	<b>Sub-Total</b>			<b>12 days</b>
Asst. Documentor/ Researcher	New Applicant	3 per regulatory office	5 CTO, CPDO, BFP, CHO, CENRO,	1 day in each regulatory office or total of 5 days
	Renewing Applicant	5 per regulatory office	5 BPLO, CPDO, BFP, CHO, CENRO	1 day in each regulatory office or total of 5 days
	<b>Sub-Total</b>			<b>10 days</b>
<b>Total</b>				<b>22 days</b>

\*Note: The number of samples indicated is the minimum.

The CPA will be responsible for interviewing and recommending to the HR the process trackers documenters to be hired for the city. The requirements for the position are: (a) at least college graduate; (b) resident of the city; (c) preferably with experience in doing process documentation (esp. former trackers under the project.) The recommendees should submit their CVs for evaluation at the home office. Contracting will be done by HR not later than May 6, 2014.

**B. Support/Supplies for the BPLS Assessment**

The CPAs shall provide ballpens, pencils and folders as well as the other requirements that will ensure the orderly collection of data by the persons to be hired. The funding for reproduction and supplies will be sourced from the petty cash of the CPAs. However, for CPAs with insufficient funds, they may request the budget officer to immediately release money for the purpose.

**C. Training of Process Documenters**

The CPAs, under the guidance of the BPLS Strategist, will take charge of training the contractors on May 5, 2014. Expenses for the training will be borne by the Office thru the CPAs' petty cash.

#### *1. On the Process Documentation*

The documentation of the inspection processes for both new and renewals will basically follow the methodologies outlined below:

- i. Process mapping - documenting a process visually, usually as a flowchart
- ii. Time and motion study – method of documenting and measuring the elements of a process (its simple tasks, the sequence of movements involved in performing the tasks, and the exact time for each movement)
- iii. Process observation - observing and documenting a process as it is executed;
- iv. Documentation of registration requirements;
- v. Collection of forms required for accomplishment and submission by an applicant, and
- vi. Other methods to be proposed by the provider and as agreed upon.

The researchers are required to fill up a process table in tracking applicants (refer to Annexes A1 and A2) which will be the basis of the training to be conducted. Should the CPAs have clarifications in filling up the table, please contact the BPLS strategist or the COP.

#### **D. Supervision**

The CPAs are expected to closely supervise the contractors who will be documenting and assessing the inspection processes. Specifically, they are enjoined to do following:

1. Assist the documentors in identifying the sample respondents (see section on sample selection).
2. Check on a daily basis the outputs of the process trackers/documentors. This means that the CPAs will ensure that process tables are properly filled up by asking questions to the process trackers. The CPAs are responsible for ensuring that the quality of the outputs of the contractors is of highest quality.
3. Be available for any questions the documentors may encounter during the data gathering period. Please make available your mobile numbers to the interviewers.

4. Ensure that obligations of the contractors are complied with before recommendations for payment are made by the Project Management Office.

#### **E. Preparation of the Report**

1. The contractors are expected to submit the following outputs:
  - a. the process table for the documentors and a summary of findings (refer to Annex B);
  - b. documentation of inspection requirements, e.g. hand outs
  - c. forms required by city officials to be filled up by applicants.
2. The CPAs are requested to prepare and submit the initial report containing the brief analysis of the results process. The outline of the report is found in Annex E.

### **III. Documentation of the Inspection Process for New and Renewal of Business Permits**

#### **A. Objective**

The objective of the activity is to describe the inspection processes/steps that business applicants follow in securing new or renewing their business registration (better known as the Mayor's Permit) for 2014 in the partner cities. The results of the process documentation will be used in assessing whether the cities streamlined their inspection process compared to the 2013 as documented by the Project. The Project is also interested in tracking the prerequisite requirements imposed by the cities before, during and after inspection.

#### **B. Types of Processes to be Tracked**

There are two types of processes that will be tracked: (1) the inspection process of applicants who are renewing their business permits and (2) the inspection process for those applying for a Mayor's permit for the first time. In addition, these inspection processes will be documented from two (2) perspectives: the ***applicant and LGU***.

The assessment will cover Inspections conducted in LGUs related to business registration, namely: (1) zoning inspections assigned to the CPDO which is provided for in the Local Government Code and are determined by local zoning ordinances; (2) fire inspections by the Bureau of Fire Protection (BFP) which are expressly required for the issuance of a business permit by the Fire Code of the Philippines of 2008; and (3) health and sanitary inspections that are usually required by LGUs and linked to the business

registration process. Additionally, some LGUs conduct other types of inspections as mandated by its local ordinances and that are required to be complied with during the business registration phase. An example would be environmental inspections by the City Environment and Natural Resources (CENRO) in Batangas City and Cagayan de Oro City. In addition, inspections for new applicants conducted by the Business Permit and License Office (BPLO) and the City Treasurer's Office (CTO) will be included in the assessment.

### **C. Period of Assessment**

The process tracking/documentation will be done during the period of five (5) weeks from May 6 to June 11, 2014 for all the 3 partner cities.

### **D. Documentation of the Inspection Process: Applicant Perspective**

The objective of the activity is to track accurately the inspection procedures/steps, the processing time and the documentary requirements that an applicant has to follow before regulatory permits are finally given to him. As will be further described below, the study takes into account the **perspective of the applicant** and will therefore require the recording of waiting and queuing time including travel time within the City Hall premises, documentary requirements as well as other actions that the city governments ask from the applicant before a permit is granted.

The assessment will use the process table/map found in Annex A in documenting the inspection process for renewal process as well as those for new business applications. The process table is a tool for documenting the process of renewal **from the perspective of the applicant**. A guide for filling up the process table is provided in Annex C. The collection of the data will be done by direct observation, recording of time, and interviewing applicants as they finish a step.

The process documenters shall use one process table for each applicant-respondents; hence, there must be 3 process tables for those applying new permit and another 5 process tables for those renewing their business registration from the **perspective of the applicants**.

The data encoded in the process tables shall be summarized following the template tables provided in Annex B. The CPAs shall ensure that the required information are complete and accurate.

#### *1. Tracking the Inspection Process for New Applications.*

##### *Sample selection*

For the assessment of the reformed inspection system from the applicant's perspective, the 4 samples will be drawn randomly from the new businesses applying for Mayor's permit at the Business Permit and Licensing Office (BPLO). Should there be difficulty in getting applicants, several approaches are being suggested to identify the sample business applicants. Sources of information about possible businesses applying for new business permit are the Department of Trade and Industry (DTI), local chamber of commerce or other business groups, the Local Economic and Investment Promotion Office (LEIPO) of the city, etc. Using the list, contact the owner/manager, make the necessary introductions, and enlist his/her assistance and cooperation in tracking the process of securing a new business permit.

#### *Regulatory Offices to Tracked*

The assessment will cover Inspections conducted by the following regulatory offices: (1) CPDO Zoning, (2) Bureau of Fire Protection (BFP), (3) City Health Office, (4) City Environment and Natural Resources (CENRO) in Batangas City and Cagayan de Oro City, and (5) the City Treasurer's Office (CTO).

#### *Data/Information to Gathered from the Applicant*

As indicated earlier, the process tracker shall document accurately the inspection procedures/steps, the processing time and the documentary requirements that an applicant has to follow before regulatory permits are finally given to him. In addition, the process tracker shall secure from the applicant the following information:

- a. Date of filing the new application, actual inspection and release of regulatory permit or clearance;
- b. Requirements e.g. barangay clearance, occupancy permit;
- c. Date of receipt of notice, if any, from the regulatory office the schedule of actual inspection;
- d. Checklist of items to be inspected given by the regulatory office
- e. Duration of actual inspection and decorum of inspectors;
- f. Presence or absence of ID of inspectors and mission order;
- g. Was there a post inspection conference?
- h. Other relevant information.

#### *2. Documentation of the Inspection Process for Business Renewal*

For existing businesses, get the list of businesses with Mayor's permit issued by BPLO that are subject to inspections. Then coordinate with the following regulatory offices regarding the schedule of inspections: (1)

CPDO Zoning, (2) Bureau of Fire Protection (BFP), (3) City Health Office, (4) City Environment and Natural Resources (CENRO) in Batangas City and Cagayan de Oro City, and (5) the BPLO. If a Joint Inspection Team (JIT) has been organized and operating, then coordinate with the assigned team leader.

#### *Sample Selection*

The 4 sample business establishments selected will be tracked if a JIT will be conducting the actual inspection covering all regulatory offices at the same time. However, if inspection is being independently by each regulatory office. Then the 4 sample business establishments will be chosen randomly in each regulatory office. This means that the samples will not be the same for all regulatory offices.

#### *Data/Information to Gathered from the Applicant*

The process tracker shall secure from the applicant the following information:

- a. Date of filing the renewal application, actual inspection and release of regulatory permit or clearance;
- b. Requirements e.g. barangay clearance, occupancy permit;
- c. Date of receipt of notice, if any, from the regulatory office the schedule of actual inspection;
- d. Checklist of items to be inspected given by the regulatory office
- e. Duration of actual inspection and decorum of inspectors;
- f. Presence or absence of ID of inspectors and mission order;
- g. Was there a post inspection conference?
- h. Other relevant information.

### **E. Documentation of the Process: LGU Perspective**

The process documentation from the **LGU perspective** will be done through documentary analysis, observation, and interview to be conducted in each regulatory office, namely, Bureau of Fire for the fire safety inspection, City Health Office for the sanitary inspection, CPDO Zoning Division for the zoning inspection, City Environment Office (CENRO) for environment-related inspections and other regulatory offices. The CPAs should provide assistance by coordinating with the concerned regulatory offices. The following are the proposed activities:

1. Researchers look at the steps, requirements, signatories, processing time and amount of fees in securing regulatory permits (including the inspection) posted in the premises as required in the ARTA of the said

office. The information gathered will be validated through interview and observation and summarized as follows.

	Per ARTA	Per Interview/Observation
No. of Steps		
No. of Requirements		
No. of Signatories		
Processing time		
Fees paid		

2. After requesting permission from each regulatory office, researcher examines the logbook the date and time of receipt of each application and the corresponding date and time of the release of the permit. There should be a minimum of 3 new applications and 5 applications for renewal as samples. The processing time is difference between the time of receipt of application and release of the permit.
3. Researcher conducts interviews with the personnel concerned to validate the data gathered particularly on steps, requirements, signatories, procedure and manner of conduct of inspection, processing time and the amount of fees paid. *How and when are business establishments selected?*

Base on the above, it is expected that the researcher will devote 1 days in each regulatory office.

#### **IV. Assessment of the Business Inspections**

In addition to the process tracking, data/information will be gathered from the applicant's perspective to assess the effectiveness of business inspections and the extent of the implementation of the city inspection reform action plans

##### **A. Assessing the Effectiveness of Business Inspections**

The process trackers from applicant's perspective shall gather data/informaion to assess the effectiveness of business inspections using the proposed guidelines indicated in the USAID's LINC-EG study, *A Guidebook for Local Governments on the Conduct of Business Friendly Inspections* (2011):

1. *Sufficiency of Statutory/Regulatory Basis* – presence of a legal basis for any inspection that is conducted. Examples of this include a law or issuance adopted by the national government or its agencies within the scope of their respective authorities; and/or a local law or ordinance.

2. *Prior Inspection Notice* – the provision of advance information given to the registrant on the schedule of the inspection.
3. *Proper Authorization* – the provision for proper mandate or order to conduct the inspection.
4. *Proper Identification* – the presentation of proper identification or the wearing of uniform to clearly identify the inspector.
5. *Client Representation during Inspection* – the presence of the registrant or his/her representative during the conduct of the inspection.
6. *Use of Inspection Checklist & its Prior Disclosure* – the utilization of a checklist showing the factors to be assessed during the conduct of the inspection and its prior disclosure to the registrant.
7. *Duration of Inspection Time* – the length of time from the start of the actual inspection to the time it is completed on site, excluding the writing of the report and the post inspection conference with the registrant.
8. *Number of Inspectors* – the total number of persons who conduct inspections.
9. *Post Inspection Conference with Client* – the provision of a presentation of the inspection findings to the registrant.
10. *Inspectors' Qualification* – education, training and background needed for a person to be qualified as an inspector.

Information gathered from observations of the sample of applicants and the data gathered from the key informant interviews and desk research will be analyzed against the above factors, as indicated below, in order to identify gaps and issue recommendations.

Guidelines	OBO	CPDO	CHO	CENRO	BFP	BPLO	CTO
Sufficiency of statutory/regulatory basis							
Prior Inspection Notice							
Proper Authority							
Proper Identification							
Registrant Representation during Inspection							

Guidelines	OBO	CPDO	CHO	CENRO	BFP	BPLO	CTO
Use of Inspection Checklist & its Prior Disclosure							
Duration of Inspection Time							
Number of Inspectors							
Post Inspection Conference with Registrant							
Inspectors' Qualification							

The analysis including the recommendations of the data/information gathered by the process trackers shall be done by the CPAs.

### **B. Assessing the Implementation of the City Inspection Reform Action Plans**

Inspection is an integral part of the business permitting process. It is usually undertaken to ensure that a business has complied with regulatory requirements emanating from various laws that serve to protect public interest and welfare. However, the conduct of inspections by LGUs has added to the complexity of the business permitting process in the Philippines, in terms of procedures that require time to complete. Hence, the INVEST project included the streamlining of the inspection system in its partner cities as one of the regulatory reforms that it will undertake to reduce the transaction cost of doing business.

As mentioned earlier, baseline data on inspection practices in the three partner cities was gathered from May to July 2012.<sup>4</sup> The results of the assessment were intended to serve as important bases for the reform agenda the cities would pursue in improving their inspections processes and for which INVEST support would be provided. Two workshops were subsequently conducted in each of the three cities, the first one from end-September to October 2012 aimed at (1) validating the third party assessment of the inspection systems in the cities; (2) reviewing and mapping the current end-to-end business permitting processes with the inspection; (3) training the city officials on how to set-up a business friendly inspection system; and (4) designing a streamlined end-to-end business permitting process with inspections. A second workshop was conducted in March and April 2013 in each of the cities to assess the effectiveness, efficiency, transparency, and

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<sup>4</sup> A report entitled “Integrated Assessment Report on Business Registration-linked Inspections Processes: Cities of Batangas, Iloilo and Cagayan de Oro” was submitted to USAID on October 7, 2012.

fairness of the inspection systems as well as the reasonableness of inspection fees using the framework of the USAID-LINC-EG study, *A Guidebook for Local Governments on the Conduct of Business Friendly Inspections*. Based on the identified business inspection reforms in the first workshop, the city officials formulated city action plans with detailed activities and timeframes.

The lead documentor/researcher shall conduct an assessment, *by observation and interview*, on the extent of the implementation of city inspection reform action plans. The city action plans can be found in Annex D.

### Assessment of City Inspection Plans

City: \_\_\_\_\_

Action Item	Office	Implemented? Yes/No	Explanation/Observation/Comment

### V. Outline and Submission of Assessment Report

The outline of the assessment report on the reformed inspection system is in Annex E. Submission of the report is on June 27, 2014.

# ANNEX 1.A. Process Table: Applicant's Perspective, Renewal Applications

Annex A2. PROCESS TABLE - APPLICANT'S PERSPECTIVE, RENEWAL APPLICATIONS

City:

Name of Regulatory Office

Type of Business:

Permit/Clearance to be issued

2. RENEWAL BUSINESS REGISTRATION PROCESS												
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
Step No.	Name of Step	Client Interface (Yes/No)	Purpose	Req'd Documents	Office	Location	Signatories & No.		Travel Time	Waiting Time	Processing Time	Output
							Signatory	No.			(minute/s)	
1												
2												
3												
4												
5												
5												
<b>TOTAL</b>												

## ANNEX 1. B. Process Table Summary Tabulation Template<sup>5</sup>

Name of City																								
Date and Time of Tracking																								
Name of Process Tracker																								
Tabulation of Process Tracking: _____ BOSS Area _____ NERBAC/Satellite _____ Renewal _____ New _____ Online Renewal																								
BPLS Standards/Client No.	1	2	3	4	5	6	7	8	9	10	Average (1-10)	11	12	13	14	15	16	17	18	19	20	Average (11-20)	Average (1-20)	
No. of Signatories																								
No. of Forms																								
No. of required documents																								
Processing Time																								
- Travel Time																								
- Waiting Time																								

<sup>5</sup> The electronic copy of the process table summary tabulation template is included as a separate Excel File

## ANNEX 1.C. Guidelines for Filling up the Process Table

A process table should be filled-out for each applicant applying for new or renewing a business permit, either at the BOSS or a satellite area. The process table will be used to specify the detailed process an applicant needs to undertake to secure a new or renew a business permit. Each process table consists of sixteen (16) columns, which need to be filled-out. Below are the instructions to fill-out each column in the table:

- a. **Step Number** (*column A*) – provide the sequence of the steps identified in column B, that the applicant undertook; you may add additional rows or use separate sheets, if needed.
- b. **Name of Step** (*column B*) – provide a clear description of the major action/s required of the applicant to secure a business permit. A step refers to action/s that an applicant and/or government agencies undertake as part of the process of applying for and renewing business permits.
- c. **Task/s** (*column C*) – specify the tasks that an applicant undertook to complete each step required by the LGU. A task is defined as the sub-steps required of an applicant within each step, i.e. present official receipt and claim business plate, photocopying of documents, etc.
- d. **Purpose** (*column D*) – determine the reason the task is being required of the applicant.
- e. **Client Interface** (*column E*) – indicate if the task requires interface between the client and a city employee/official or a private individual or entity. Answer this column with “yes” or “no”.
- f. **Application Form** (*column F and G*) – provide if the task requires the applicant to fill-out his/her personal or business details – name, business income, etc. – in an application form, a slip, or a piece of paper to process the task. The number of these forms should be specified under *Column G*.
- g. **Required Documents** (*column H*) – list the documents required of an applicant in processing each task;
- h. **Cost** (*column I*) – specify or estimate, in monetary terms, how much an applicant would spend to complete a specific task or sub-step;
- i. **Location** (*column J*) – specify whether the task was performed “within the vicinity of the city hall”, or would require the applicant to travel outside the city hall. If the task was done in the city hall, further specify the floor where the office is situated, if applicable.
- j. **Signatories** (*column K and L*) – list the position/title of the person/s whose signature/s or initial/s is/are required to be secured by the applicant to complete each task. Also provide, in parenthesis, if the signature is affixed digitally, i.e. position (digital). In column L, provide the number of signatures or initials need to be secured by the applicant to complete the step or task.
- k. **Travel Time** (*column M*) – provide an estimate of the amount of time required of an applicant has to spend to walk or ride from one location to another in between tasks;
- l. **Waiting Time** (*column N*) – provide the amount of time the applicant has to wait for the processing of each task.
- m. **Processing time** (*column O*) – sum the values specified for travel and waiting time.

- n. **Output** (*column P*) – specify what the applicant receives as acknowledgement of the completion of a task, i.e. official receipt, tax order of payment, accomplished form with required documents, etc.

## **Annex D. City Inspection Reform Action Plans**

(See separate files)

### **ANNEX 1.E. Outline of the CPA Report on Inspection Assessment**

#### **2014 Business Permits and Licensing System of \_\_\_\_\_ City**

##### **I. Introduction**

*[This section should describe the objectives of the city in the 2014 reforms; the coverage of the report; the data gathering process adopted in the city; caveats, if any]*

##### **III. Inspection Assessment**

**A. Inspection process flow from the applicant's perspective**

**B. Inspection process flow from the LGU/City perspective**

**C. Assessment of the Effectiveness of the Business inspections**

**a. Include comparison with 2012/2013**

**D. Assessment of the implementation of the city inspection reform action plans**

##### **IV. Conclusions and Recommendations for Further Reforms**

# ANNEX 2. BATANGAS CITY EXECUTIVE ORDER 8, APRIL 24, 2013



Republic of the Philippines  
Batangas City

## Office of the City Mayor

Tel. Nos. (043) 723-1511 • 723-2930  
Fax No.: (043) 723-1558

Executive Order No. 8, Series of 2013

### ADOPTING THE INSPECTION REFORM ACTION PLAN TO ESTABLISH A BUSINESS-FRIENDLY INSPECTION SYSTEM IN BATANGAS CITY

**WHEREAS**, the city government of Batangas issued Executive Order (EO) 25 s.2011 to reorganize the Business Permits and Licensing System Joint Inspection Team (BPLS-JIT) in pursuit of enhancing the inspection system, particularly promoting transparency and ease disruptions of any business activity;

**WHEREAS**, despite efforts of the city government in implementing EO 25, the BPLS-JIT was not realized given the lack of technical capacity of the city government in implementing the EO;

**WHEREAS**, Batangas City is one of the three pilot cities of the United States Agency for International Development (USAID) Investment Enabling Environment (INVEST) Project which provides technical assistance in streamlining business registration processes of the city government;

**WHEREAS**, the city government adopted Executive Order 32 s.2012 to implement innovations in business registration which supports the thrust of the city government in promoting a business-friendly environment which will help the city become more competitive in attracting new investments;

**WHEREAS**, to complement the reforms in business registration, it is essential to also pursue reforms in the inspection process for business establishments;

**WHEREAS**, the INVEST Project facilitated several Inspection Workshops in 2012 and 2013 to help the city define its strategic actions in establishing a business-friendly-inspection system to be jointly implemented by the city government and the National Government Agencies, particularly the Bureau of Fire Protection (BFP) and Social Security System (SSS);

**WHEREAS**, the Inspection Reform Action Plan identifies the strategic actions of the city government, necessary sub-activities, key actors, and resources needed to attain a business-friendly inspection system;

**WHEREAS**, the full implementation of the inspection reform action plan also integrates the need to operationalize the Joint Inspection Team;

**NOW, THEREFORE, I, VILMA ABAYA DIMACUHA**, Mayor of the City of Batangas, by virtue of the powers vested upon me by law, hereby order the full implementation of the action plan following the specified time table, which will be coordinated by the Business Permits and Licensing Office (BPLO).

Done this 24<sup>th</sup> day of April on the year of our Lord Two Thousand and Thirteen at Batangas City.



**VILMA ABAYA DIMACUHA**

City Mayor

Attested:



Atty. Victor Reginald A. Dimacuha  
Secretary to the Mayor

cc: All offices concerned

## ANNEX 3. BUSINESS INSPECTION REFORM ACTION PLAN

**Objective :** To implement an effective and efficient business-friendly inspection system in Batangas City

Strategy	Activity	Tasks/Steps	Responsible Office	Time Frame (2013)		Resources Needed	
				Start	End		
Prepare an Executive Order (EO) supporting the inspection reform	Secure the policy approval of the City Mayor to implement the Inspection Reform Action Plan	1. Draft EO supporting inspection reform	BPLO (as lead) & INVEST	April 11	April 12		
		2. Present the draft EO for the approval of the City Mayor	BPLO	April 23	April 25		
		3. Secure City Mayor's approval of the Draft EO	BPLO	April 23	April 25		
		4. Disseminate the Approved EO	Public Affairs and Assistance Division (PAAD) with BPLO's coordination	April 29	April 30		
Organize the Joint Inspection Team (JIT)	Review and enhance existing guidelines	1. Request data from concerned offices/departments/NGAs	BPLO (as lead), CENRO, CHO, OCVAS, OCMA, CEO CPDO, BFP, SSS	April 21	April 30	Lunch and snacks	
	Develop concept with concerned offices/departments/ National Government Agencies (NGAs)	1. Conduct research on models of Joint Inspection Team (e.g. case studies of localities and countries)	2. Convene a meeting with concerned offices/departments/NGAs	BPLO (as lead), CENRO, CHO, OCVAS, OCMA, CEO, CPDO, BFP, SSS	April 21		April 25
					May 3		May 3
					May 3		May 5
					May 5		May 7
					May 8		May 16
					May 17		May 22
					May 22		May 24
					May 27		May 29
					Secure policy approval from the City Mayor		3. Draft an EO supporting the JIT guidelines
	4. Route the draft EO and guidelines to concerned offices/departments/NGAs for comments and enhancement	BPLO (as lead), CENRO, CHO, OCVAS, OCMA, CEO, CPDO, BFP, SSS	BPLO in coordination with PAAD	May 8	May 16		
	5. Revise the EO and guidelines to integrate			May 17	May 22		
				May 22	May 24		
				May 27	May 29		

		<p>comments</p> <ol style="list-style-type: none"> <li>1. Present draft EO and guidelines to the City Mayor for approval</li> <li>2. Finalize the EO and guidelines</li> <li>3. Disseminate the EO</li> </ol>				
Prepare and use unified checklist for inspection	Review existing Inspection checklist of each Department/ Office/NGA	1. Coordinate and request all concerned departments /offices and NGAs to review their existing inspection checklist	BPLO (as lead), CENRO, CHO, OCVAS, CEO, CPDO, OCMA, BFP, SSS	April 21	April 25	
	Draft Unified Inspection Checklist	2. Conduct research on models of Inspection checklist (e.g. inspection checklist of localities and countries)	BPLO (as lead), CENRO, CHO, OCVAS, CPDO, CEO, OCMA, BFP, SSS	April 25	April 28	
			BPLO (as lead), CENRO, CHO, OCVAS, OCMA, CEO CPDO, BFP, SSS	May 3	May 3	
	Conduct an internal pre-testing	1. Convene a meeting to draft the unified inspection checklist 2. Present researches on various models of inspection Checklists 3. Formulate the draft unified inspection checklist 4. Circulate the draft of the unified inspection checklist to the Team for final comments and enhancements	BPLO (as lead), CENRO, CHO, OCVAS, OCMA, CEO CPDO, BFP, SSS	May 3	May 3	
				May 3	May 3	
				May 3	May 5	Technical Assistance from USAID <i>*Lunch &amp; snacks</i>
				May 5	May 7	
	Finalize the unified inspection checklist	1. Pre-Test the draft unified inspection checklist with the concerned departments/offices/ NGA	BPLO	May 8	May 10	
				May 13	May 19	
				May 20	May 24	

	<p>Secure policy approval of the City Mayor supporting the utilization of the unified inspection checklist</p> <p>Conduct training for inspectors on how to use the unified inspection checklist</p> <p>Utilize the unified inspection checklist for all business establishments</p>	<ol style="list-style-type: none"> <li>2. Generate report of pre-testing</li> <li>1. Revise the unified inspection checklist based on findings of the pre-test</li> <li>2. Circulate the revised checklist for approval of concerned departments/NGA/offices</li> <li>1. Draft an EO supporting the utilization of the unified inspection checklist</li> <li>2. Secure approval of the City Mayor supporting the utilization of the unified inspection checklist</li> <li>3. Disseminate the EO and checklist to concerned departments/offices/NGAs</li> <li>1. Design the training module for the utilization of the unified inspection checklist and create the training <ul style="list-style-type: none"> <li>• Develop an assessment tool to gauge application of training (test/exam)</li> </ul> </li> <li>2. Schedule the conduct of training for inspectors</li> <li>3. Conduct actual training on unified inspection checklist</li> </ol>	<p>CHO,CEO,SSS</p> <p>BPLO (as lead), CENRO, CHO, OCVAS, OCMA, CEO CPDO, BFP, SSS</p> <p>BPLO (as lead), CENRO, CHO, OCVAS, OCMA, CEO CPDO, BFP, SSS</p>	<p>May 20</p> <p>May 24</p> <p>June 3</p> <p>May 20</p> <p>May 23</p> <p>June 4</p> <p>June 11</p> <p>June 16 June18</p>	<p>May 24</p> <p>May 30</p> <p>June 5</p> <p>May 23</p> <p>May 29</p> <p>June 4</p> <p>June 12</p> <p>June 17 June 24</p>	<p>Lunch &amp; snacks</p>
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		<ol style="list-style-type: none"> <li>Pilot the utilization of the unified inspection checklist <ul style="list-style-type: none"> <li>Define the sample size (type of business, location, etc.)</li> </ul> </li> <li>Conduct of piloting</li> <li>Prepare report of piloting</li> </ol>					
Classify business establishments according to operational and area risk	Review existing practices in classifying businesses for health and fire inspection	<ol style="list-style-type: none"> <li>Set meeting concerning the classification of business establishments according to operational and area risk <ul style="list-style-type: none"> <li>Gather relevant laws regulations and ordinances related to health and fire inspection</li> <li>Secure master list of all businesses in Batangas City with data on its operation and area/location</li> </ul> </li> <li>Conduct the actual meeting <ul style="list-style-type: none"> <li>Review and assess current practices in classifying risks of businesses for health and fire inspection</li> </ul> </li> </ol>	CHO, BFP, and BPLO	April 29	April 29	Lunch and snacks	
	Formulate the framework for the for classifying businesses based on operational and area risk		<ol style="list-style-type: none"> <li>Conduct research on how businesses are classified according to operational and area risk - What are the criteria that are used in classifying businesses <ul style="list-style-type: none"> <li>Using the criteria, assess the methodology in classifying businesses for fire and health</li> </ul> </li> </ol>	CHO and BFP	May 3	May 3	Lunch and snacks
				CHO and BFP	May 3	May 17	
				BPLO, CHO and BFP	May 3	May 17	
	Initial application of the criteria			BPLO, CHO & BFP	June 2	June 2	

	<p>methodology in classifying businesses according to operational and area risk</p> <p>Secure policy approval for the use of the criteria and methodology in classifying businesses according to operational and area risk</p> <p>Disseminate the new methodology for use of all inspectors in the BFP and CHO</p>	<p>inspection</p> <ul style="list-style-type: none"> <li>• Identify the best practices in classifying businesses based on operational and area risk</li> </ul> <ol style="list-style-type: none"> <li>2. Identify appropriate criteria and methodology in classifying businesses according to operational and area risk</li> </ol> <ol style="list-style-type: none"> <li>1. Gather the master list of all businesses in Batangas City <ul style="list-style-type: none"> <li>▪ Size of business in terms of capitalization</li> <li>▪ Size of business in terms of number of employees</li> <li>▪ Type of business</li> <li>▪ Area</li> </ul> </li> <li>2. Apply the criteria and methodology in classifying businesses according to operational and area risk <ul style="list-style-type: none"> <li>▪ Categorize businesses according to level of risk</li> <li>▪ Identify areas for possible Joint Inspection</li> </ul> </li> <li>3. Prepare report on piloting</li> </ol> <ol style="list-style-type: none"> <li>1. Present to the City Mayor for approval the use of the criteria and methodology in classifying businesses according to</li> </ol>	<p>CHO, BFP, and other concerned departments</p> <p>CHO, BFP and BPLO</p> <p>BFP and CHO</p> <p>CHO in coordination with the PAAD</p>	<p>June 3</p> <p>June 3</p> <p>June 23</p> <p>June 25</p>	<p>June 18</p> <p>June 18</p> <p>June 24</p> <p>June 25</p>	<p>Printed Materials</p>
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		operational and area risk				
		1. Circulate the new methodology for use by all inspectors in BFP and CHO to all concerned departments				
Develop, install and use an automated inspection system	Design Phase of Automated Inspection System  Development and Implementation Phase Of Automated Inspection System	1. Develop Information Flow Design 2. Develop Data Schema Design 3. Process Flow Design 4. Functional Design (Modularization) 5. Automated Inspection System Design Complete 1. Develop Functionality (Code and Unit Testing) 2. Develop Aggregated Views 3. Develop Standard Reports 4. Conduct Systems Testing 5. Conduct User Acceptance Training (UAT) 6. Prepare Training Materials 7. Conduct End-User Training 8. Data Conversion and	ITSD	April 8 April 29 May 6 May 8 May 10  May 13  August 5 August 19 Sept 2 Sept 9 Sept 23 Oct 7 Oct 28 Jan 20	April 26 May 3 May 7 May 9 May 10  August 2  August 16 August 30 Sept 6 Sept 20  Oct 4 Oct 25 Jan 17 Jan 24	

		Migration				
		9. Production Deployment				
Hire and train new qualified inspectors, and train existing inspectors	<u>Hire qualified inspectors</u> Review Qualification Standards for inspectors based on the City's inspection reforms	1. Conduct research on the QS for inspectors in other cities <ul style="list-style-type: none"> <li>Identify the number of personnel needed</li> <li>Review the gathered information on the QS for inspectors</li> </ul>	BPLO, CENRO, CEO, CHO, OCVAS, OCMA SSS	May 15	July 15	
	Develop Qualification standards for inspectors based on the results of the review	1. Review the plantilla vacancy /QS <ul style="list-style-type: none"> <li>Develop the QS for inspectors based on the City's inspection reform</li> </ul>	BPLO, HRMO	May 15	July 15	
	Secure policy approval of the City Mayor supporting the Qualification Standards for inspectors	1. Secure endorsement of HRMO	BPLO, CENRO, CEO, CHO, OCVAS, OCMA	May 15	July 15	
		2. Draft a letter addressed to the city mayor for the proposed creation of position for inspectors	HRMO, CMO, BPLO HRMO, CMO	July 15	July 19	
		3. Prepare endorsement letter to the Sangunian Panlungsod endorsing the creation of the position, if applicable (Secure the approved resolution and present the copy to the City Budget for budget allocation of the approved positions)	BPLO and concerned offices/departments	July 20	July 29	
		1. Coordinate with the HRMO for inclusion in the existing plantilla for hiring of qualified applicants	BPLO	July 29	July 29	
		<u>Train existing inspectors</u> Identify the training needs of the existing inspectors based on				

	<p>the implementation of the inspection reforms</p> <p>Develop training design</p> <p>Conduct the actual training</p> <p>Evaluate performance of inspectors based on the training design</p> <p><u>Train new inspectors</u> Develop training design</p> <p>Conduct the actual training</p> <p>Evaluate performance of inspectors based on the training design</p>	<ol style="list-style-type: none"> <li>1. Conduct training needs analysis</li> <li>1. Conceptualize the design based on the new system</li> <li>2. Present training concept and design to the City Mayor for approval</li> <li>3. Form the training team</li> <li>4. Assign tasks for the training</li> <li>5. Prepare presentation materials for the training</li> <li>6. Prepare test for training</li> <li>1. Prepare venue, equipment and materials for the training</li> <li>2. Conduct the training existing inspectors</li> <li>1. Review and evaluate the result of the performance of the inspectors</li> <li>2. Prepare evaluation report</li> <li>1. Conceptualize the design based on the implementation of the inspection</li> </ol>	<p>SSS, BFP</p> <p>BPLO, CEO, CENRO, CHO, CPDO, OCVAS, OCMA, SSS, BFP</p> <p>BPLO, CEO, CENRO, CHO, CPDO, OCVAS, OCMA, SSS, BFP</p> <p>BPLO, CEO, CENRO, CHO, CPDO, OCVAS, OCMA, SSS, BFP</p> <p>BPLO</p> <p>BPLO, CEO, CENRO, CHO, CPDO, OCVAS, OCMA, SSS, BFP</p> <p>BPLO, CEO, CENRO, CHO, CPDO, OCVAS, OCMA, SSS, BFP</p>	<p>May 24</p> <p>June 4</p> <p>June 6</p> <p>June 6</p> <p>June 9</p> <p>June 23</p> <p>June 25</p> <p>June 25</p> <p>June 27</p> <p>June 27</p> <p>June 29</p> <p>July 19</p> <p>July 25</p> <p>July 25</p> <p>July 25</p> <p>August 1</p> <p>August 2</p> <p>August 2</p> <p>August 2</p>	<p>May 30</p> <p>June 4</p> <p>June 6</p> <p>June 6</p> <p>June 20</p> <p>June 24</p> <p>June 25</p> <p>June 26</p> <p>June 27</p> <p>June 30</p> <p>July 18</p> <p>July 19</p> <p>July 25</p> <p>July 31</p> <p>July 31</p> <p>August 1</p> <p>August 2</p> <p>August 15</p> <p>August 15</p>	<p>Lunch and snacks</p> <p>Lunch and snacks</p>
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		<ul style="list-style-type: none"> <li>reforms</li> <li>2. Present training concept and design to the City Mayor for approval</li> <li>3. Form the training team; Assign tasks for the training</li> <li>4. Prepare presentation materials for the training</li> <li>5. Prepare test for training</li> <li>1. Prepare venue, equipment and materials for the training</li> <li>2. Conduct the training</li> </ul>				
		<ul style="list-style-type: none"> <li>1. Review and evaluate the result of the performance of the inspectors</li> <li>2. Prepare evaluation report</li> </ul>				
Propose regular expenditures for inspection (e.g. logistics, supplies and gadgets)	Prepare the Work and Financial Plan (WFP)	<ul style="list-style-type: none"> <li>1. Set Meeting of the JIT-Business Registration Groups to identify logistics needed and major expenditures</li> <li>2. Identify critical inspection expenditure items by JIT-Business Registration Groups</li> </ul>	BPLO, CEO, CENRO, CHO, CPDO, OCVAS, OCMA, SSS, BFP	May 3	May 3	Lunch and snacks
	Endorse JIT Expenditures proposal & Secure policy approval of the City Mayor	<ul style="list-style-type: none"> <li>3. Prepare the consolidated inspection expenditures proposal</li> </ul>	BPLO, CEO, CENRO, CHO, CPDO, OCVAS, OCMA, SSS, BFP	May 20	May 24	None
	Monitor the approval of the expenditures proposal	<ul style="list-style-type: none"> <li>1. Present to the City Mayor the JIT expenditures proposal</li> <li>2. Present to the Budget Officer the JIT expenditures proposal</li> <li>3. Present of the JIT expenditures proposal</li> </ul>	BPLO, CEO, CENRO, CHO, CPDO, OCVAS, OCMA, SSS, BFP	May 24	Dec 27	None

		to the local finance committee				
		1. JIT-Business Registration Group members monitor the inclusion of the JIT expenditures proposal to the City 2014 Annual Budget				
Develop and use an inspection manual	Gather information for the manual Review and consolidate gathered information	1. Schedule meeting to draft the inspection manual	BPLO	Oct 2	Oct 2	Lunch and snacks
		2. Gather inputs from concerned offices/departments	BPLO, CEO, CENRO, CHO, CPDO, OCVAS, OCMA, SSS, BFP	Oct 3	Oct 15	
	Draft the manual		BPLO, CEO, CENRO, CHO, CPDO, OCVAS, OCMA, SSS, BFP	Oct 16	Oct 30	
		1. Formulate the draft manual (define the outline during the meeting)		Oct 31	Nov 4	
		2. Circulate the draft Manual for final comments and enhancements to concerned offices/departments	BPLO, CEO, CENRO, CHO, CPDO, OCVAS, OCMA, SSS, BFP	Nov 5	Nov 7	
	Secure policy approval			Nov 7	Nov 11	
		3. Finalize the manual addressing comments and suggestions	BPLO, CEO, CENRO, CHO, CPDO, OCVAS, OCMA, SSS, BFP	Nov 11 Nov 13	Nov 13 Nov 15	
	Conduct training for the utilization of the manual	1. Draft an EO supporting the manual for approval of the City Mayor		Nov 15	Nov 19	
		2. Secure approval of the City Mayor		Nov 19	Nov 20	
		3. Disseminate the approved EO and manual to concerned offices	BPLO, CEO, CENRO, CHO, CPDO, OCVAS, OCMA, SSS, BFP	Nov 20 Nov 20 Nov 20 Nov 22 Nov 25	Nov 20 Nov 20 Nov 23 Nov 23 Nov 26	
		1. Conceptualize training design based on the approved manual		Nov 27	Nov 28	
	Monitor the implementation of the manual	2. Present training concept to the City Mayor for approval		October	Year round	

		<ol style="list-style-type: none"> <li>3. Form the Training team</li> <li>4. Assign task for the training</li> <li>5. Prepare presentation materials</li> <li>6. Prepare test for the training</li> <li>7. Prepare venue, equipment and materials for the training</li> <li>8. Conduct actual training</li> </ol> <ol style="list-style-type: none"> <li>1. Monitor implementation of activities</li> <li>2. Prepare monitoring report</li> </ol>				
Develop a compliance merit system for purposes of giving awards	<p>Conduct research on various models on compliance merit system</p> <p>Develop the concept for applicable compliance merit system</p> <p>Develop the compliance merit and awards system</p> <p>Secure the compliance merit and award system approval from of the City Mayor and SP</p> <p>Conduct training on the use of compliance merit system</p>	<ol style="list-style-type: none"> <li>1. Set JIT committee meeting for merits system and awards criteria</li> <li>2. Present various models on compliance merit system</li> <li>3. Secure assistance from the INVEST</li> </ol> <ol style="list-style-type: none"> <li>1. Develop the merit compliance system using the various models</li> <li>2. Adopt and finalize the concept for compliance merit system</li> </ol> <ol style="list-style-type: none"> <li>1. Create the Proposed Merit and Awards System(Business Recognition)</li> <li>2. JIT Committee presents the proposed merit and compliance system to the city mayor</li> </ol> <ol style="list-style-type: none"> <li>1. Present and secure approval of the City</li> </ol>	<p>BPLO, CEO, CENRO, CHO, CPDO, OCVAS, OCMA, SSS, BFP</p> <p>BPLO, CEO, CENRO, CHO, CPDO, OCVAS, OCMA, SSS, BFP</p>	<p>1<sup>st</sup> week of February 2014</p> <p>1<sup>st</sup> week of February 2014</p> <p>2<sup>nd</sup> week of February 2014</p> <p>1<sup>st</sup> week of March 2014</p> <p>1<sup>st</sup> week of April</p>	<p>1<sup>st</sup> week of February 2014</p> <p>2<sup>nd</sup> week of February 2014</p> <p>End of February 2014</p> <p>End of March 2014</p> <p>End of April 2014</p>	

