Angeles City's Business Permit and Licensing System on Business-One-Stop Shop

Summary

Angeles City's Business Permit and Licensing System on Business-One-Stop Shop is a streamlining program that was implemented to establish a defined system that would enhance the business permit issuance process, boost revenue collection and at the same time, to impose regulatory laws. Basically, this program required mapping of existing processes and operations of all offices involved in business permit issuance, identifying and removing redundant processes as well as merging of similar or relevant steps.

For policy development, a Core Group or Technical Working Group (TWG) composed of Heads of Offices was first organized to evaluate, review and document the streamlining procedures. Later, representatives of the BPLS on B.O.S.S. concerned offices were housed in one office so. Policies and procedures were identified and revised by the concerned offices to determine a set of steps that is simple yet comprehensive. Standard processing time of one hour for businesses not needing inspection and five days for those needing inspection was established. The concerned offices also set the requirements necessary for business permit issuance. Aside from these, a unified form for business permit application was designed for the convenience of the clients.

An in-house Information and Communications Team was also created to manage the development of computerized systems and modules that would be used by the representatives from all offices involved. The use of computerized system allowed traceability of documents and control of records. It also provided accessibility of records for the system users.

For documentation and monitoring, a Quality Management Systems Team was organized. This team is in charge with maintaining and updating of Quality Manual and the Policies and Procedures Manual as well as ensuring that the established BPLS on B.O.S.S. is in conformance with the ISO 9001:2008 Standards.

Project Description

The project was created primarily to improve transactions between the City Government and its constituents by enhancing taxes and fees collection process and thereby increase its revenues to finance improved and expanded public service delivery.

Its creation and implementation for the purpose of improving the execution of the City Government's operations and services by improving work practices by eliminating unproductive use of time, processing data more efficiently and eliminating unnecessary paper work.

The BPLS on B.O.S.S. was established to define a system that would be used for business permit issuance.

This was also implemented with the goal of setting up control and traceability of documents. It is to be noted that prior to the implementation of this system, control of documents was difficult for the staff as there were no specific personnel assigned to handle the processing of specific documents. Some procedures then were redundant and that the requirements were not defined hence the delays in the issuance of permit and regulatory certificates.

Moreover, there was no strict regulation on compliance of requirements of the different offices involved in business permit issuance. Monitoring of existing business establishments also proved to be difficult. Business establishments were issued permits even if they still have pending violations.

To address these, a Process Control Record which contains the date and time that the applications were process was integrated in the system. If there are delays, the specific department or office where said delays were encountered and the reasons would be recorded. Documents being processed could be easily traced.

The pioneers also included a verification process where all applications would be verified for delinquencies. Applicants would then be advised to settle their arrears before their applications would be processed. As a result, the number of delinquent establishments was lessened and the revenue collection was enhanced.

Regulatory offices are part of the system as a measure to ensure that applicants satisfy the regulatory requirements first prior to issuance of certificates. Applications for regulatory certificates are done in stages. A regulatory office has to approve application first before it could be accessed by the next regulatory office.

With the computerized system and by housing all representatives of BPLS on B.O.S.S. concerned offices in one office, documents are now safely kept for easy access when needed and business permit application became more convenient. Delays have been lessened and the reasons for delays are recorded so that corrective actions may be employed.

Project History

The BPLS on B.O.S.S. is an integral part of the Angeles City Government's Computerization Program which was initiated by then Mayor Carmelo F. Lazatin in January 2002 through the approval of EO No.1, S-2002 or the Government Operations Information Technology Plan. This served as guide in the establishment of a quality management system. In fact, the establishment of a QMS in the city was even before former President Gloria Macapagal-Arroyo issued Administrative Order 605 "Institutionalizing the Structure, Mechanisms and Standards to implement the Government Quality Management Program..."

With the support of the top management, the Information and Communications Technology Division headed by the City Information Officer then was created to take charge of software development, network cabling and support and database administration. There were also computer technicians hired to provide hardware maintenance.

To prepare the core offices in adapting to the computerized processes, streamline and enhance procedures, train and orient process owners, and document the Quality System for ISO Certification, a Quality Management Systems Team was organized. This was made possible through EO No. 15, S-2000 which was later amended through EO No. 34, S-2002.

On August 2002, the Business Permit and Licensing System (BPLS) were fully implemented. By January 2003, the BPLS was further improved by streamlining the renewal process through the implementation of the Business-One-Stop-Shop (B.O.S.S). The combined BPLS on B.O.S.S. was officially started on June 2, 2003.

Results

The implementation of the BPLS on B.O.S.S. and its eventual ISO 9001:2008 Certification has been beneficial to the city government. In terms of revenue collection, a significant increase in the business tax collection has been observed since its implementation in 2003. From P48, 968,338.62 in 2003, business tax collection ballooned up to 304,647,019.00 in 2010.

With the streamlined system, many business owners secure business permits as evident in the number of registered business establishments from 8,108 in 2003 to 10,081 in 2010.

Processing time has also been improve with the set standard processing time of one hour for businesses not needing inspection and five days for businesses needing inspection.

The integration of the regulatory offices in the system helped in imposing regulatory compliance on business establishments. Many business establishments have not been issued business permits until they were able to settle their violations. With the system, monitoring the operations of business establishments has become easier. The city government was also able to establish history of all business establishments and as such, it is simple to identify erring/ delinquent business owners.

Business permit issuance processes were simplified from 12 steps to nine steps and in 2010 from nine down to only five steps. Considering client interphase has been vital in trimming down the steps to five.

With the success of this project, Angeles City was recommended by DILG and DTI as a benchmarking site for those LGUs intending to streamline their respective processes.

Key Implementation Steps

Implementation Steps	Main Output	Who are involved	Timeframe Required	Resources Required
1.Planning				
• Creation of a TWG, ICTD and QMS	• TWG • ICTD • QMS	• Top Management • BPLS concerned offices	One month	Personnel Office Supplies
• Identification of Top Organizational Objectives	• Top Organizational Objectives	• Top Management • TWG	One Month	Personnel Office Supplies
• Identification of Functional Objectives	• Functional Objectives	• Top Management • TWG	One Month	Personnel Office Supplies
• Identification of scope of BPLS on B.O.S.S. implementation	• Scope of BPLS on B.O.S.S. Implementation	• Top Management • TWG	One Month	Personnel Office Supplies
2. Policy Development				
• Mapping of existing procedures and policies	• Documented existing procedures and policies	• TWG	One Month	Personnel Office Supplies
• Review and streamlining of existing policies and procedures	• Streamlined procedures	• TWG	One Month	Personnel Office Supplies
• Identification of requirements for every office concerned	• Requirements of each office	• TWG	One Month	Personnel Office Supplies
• Identification of forms to be utilized in processing business permit applications	• Application Form • Regulatory Certificates • Business Permit • Other forms	• TWG	One Month	Personnel Office Supplies
3. Documentation				
• Documentation of streamlined procedures	• Streamlined procedures including standard processing time	• QMS Team	Two Months	Personnel Office Supplies
• Preparation of Quality Manual	• Quality Manual	• QMS Team	Six Months	Personnel Office Supplies
• Preparation of Policies and Procedures Manual	• Policies and Procedures Manual	• QMS Team	Six Months	Personnel Office Supplies

Implementation Steps	Main Output	Who are Involved	Timeframe Required	Resources Required
4. Computerization	BPLS	TWG ICTD		• IT Experts
• Software Development	BPLS	ICTD	Six months	• Programmers • Computers • Encoders
• Networking		ICTD	Six months	• Network Administrator • Computer Technicians • Cabling Materials • Server • Computers
5. Infrastructure Construction				
• Construction of B.O.S.S.	Business-One-Stop Shop	Top Management City Engineer's Office	Three Months	• CEO • Building Materials
6. Implementation				
• Dry run of BPLS	• BPLS	•Top Management •Representatives of BPLS on B.O.S.S. Concerned Offices •TWG	Two months or longer	• Manpower • Computers • Office supplies
• Modification/ refinement of system based on the results of the dry run	• Refined BPLS	•TWG •Representatives of BPLS on B.O.S.S. Concerned Offices •	Two months or more	• Manpower • Programmers • Office Supplies • Computers
• Establishment of a feedback mechanism	• Constituents' Feedback Form • Suggestion Boxes	•TWG •Clients	From the start of dry-run to full Implementation	• Manpower
• Regular Meetings and Management Reviews	• Minutes of the meeting	• TWG • BPLS on B.O.S.S. Concerned Offices	From Planning to full Implementation	
• ISO Certification	• ISO 9001:2000 Certification • ISO 9001:2008 Certification	• BPLS on B.O.S.S. Concerned Offices • Top Management	Six months	Budget Allocation

The implementation of this project starts with the Planning where the Top Management identifies and creates a Technical Working Group or Core Group that would be

in-charge in the preparation of all deliverables needed for the proper implementation of the BPLS on B.O.S.S.

Under the Planning Stage, the TWG and the Top Management shall decide what will be the top organizational objectives that would include standard processing time, and standard rating for client satisfaction. In the case of Angeles City, the standard processing time is one hour for those establishments not needing inspection and five days for those needing inspection.

A rating of "3" for client satisfaction which is identified through Constituents' Feedback Form shall be maintained.

The identified scope of BPLS implementation covers all offices involved in the issuance of business permits including the regulatory and support offices.

For Policy Development, it is necessary that the existing procedures and policies be documented or mapped so that it would be easier to review which steps are redundant and can be eliminated, as well as which steps can be merged.

Reviewing and streamlining of the procedures are done with due reference to Laws, Ordinance and Codes governing business permit issuance and the regulation.

From the streamlined system, Criteria on Inspections and requirements are identified. The various forms are also coded to distinguish them from other forms used by the offices involved.

Documentation process entails preparation of narratives capturing the streamlined policies and procedures. Preparation of a Quality Manual that contains top organizational objectives, functional objectives, references, forms, indices and guidelines and Policies and Procedures Manual are also part of documentation of this project. The QMS Team which was organized by the Top Management is in charge with the documentation process.

Meanwhile, the Computerization process is considered one of the most crucial stages in the BPLS on B.O.S.S. implementation. Programmers were hired to develop systems to be used by all concerned staff of the offices involved. The Top Management opted to hire programmers instead of purchasing software as it is more economical. Having in-house programmers also proved to be more beneficial as modification of the system based on the needs of the city government is becomes easier and it does entail further expenses.

The computers used for the implementation are interconnected to allow easy access of database and networking of the system is being done by the Network Administrator and Computer Technicians.

The city government also hired encoders to input and update the database of the Business Permit and Licensing Division and the other offices involved.

For the purchasing of computers and cabling materials as well as servers, the city government allocated more or less P3 million.

For infrastructure construction, the City Government tapped the assistance of the City Engineer's Office. As the Business-One-Stop Shop was designed to house the representatives of all offices concerned it was necessary that an office be constructed at the ground level of the City Hall Building.

With all fundamental processes settled, the city government conducted a dry run of the BPLS so it can be further polished. The dry run can be done for two months or longer to gauge customer satisfaction and the efficiency of the established system.

After which, the programmers and the TWG shall then convene to review the process and to identify opportunities for improvement.

The final stage of implementation of the BPLS is the application for ISO 9001:2000 Certification after which, the city government applied for transition of its Certification to ISO 9001:2008.

Analysis

The BPLS on B.O.S.S. implementation provided opportunity for the city government to boost revenue collection particular for the business taxes. It also allowed Angeles City to improve its delivery of service through streamlined system.

With this project, it is able to impose regulation on the operations of business establishments based on regulatory laws and all other applicable laws. Processing of applications could be fast-tracked without sacrificing regulation of the businesses.

In terms of sustainability, the streamlined system once established can be maintained as the software and hardware materials can be upgraded and updated regularly. With the in-house programmers, it far economical than purchasing software from software developers and modifications can be easily integrated.

As Policies are defined, the city government is able to lessen corruption in the system. Business taxes are in accordance with the provisions of Revenue Code hence, imposition of unnecessary taxes are limited.

There may be resistance from stakeholders at first, but with continued implementation, it can be widely accepted and even replicated in other localities.

The BPLS also paved way for the collection of arrears or delinquencies of the business establishments which could have remained unsettled had it not been for the established policy that delinquencies have to be settled prior to processing of applications.

BPLS on B.O.S.S. is not merely a computerized system to fast-track processing of business permit applications. Along with its establishment is the updating of records of business establishments that would not have been maintained systematically and securely if not for this project.

This project also established control and traceability of documents. With the system, the personnel in charge of handling specific processes are defined. The offices and processes are recorded hence; tracing of documents and monitoring status of particular applications are easy.

As the steps in securing business permits are clearly defined, clients are aware of the procedures that they have to undergo and they are able to anticipate when their permits would be released. Client interphase and processing time are reduced which make business permit application more convenient for clients.

This project also let the city government set standards on inspection and submission of reports. It also paved way so that the city government could design monitoring schemes to ensure that its Policies and Procedures are in accordance with the ISO standards. Areas for improvements are identified with the regular systems audits conducted.

Lessons Learned and Replicability of the Experience

In the establishment and implementation of this project, knowing the Top Organizational Objectives and Functional Objectives is necessary. It allows you to set a direction for your streamlining project.

It is also important to set priorities for implementation so that the local government could strike a balance between generating more revenues and regulation of the business establishments.

The Policies and Procedures are necessary so that the city government could be guided in its implementation of the project. But these Policies and Procedures should also be strictly complied with as it fortifies the integrity of the city government being the implementing body.

During the course of establishing this project, the city government also conducted benchmarking to other local government units. However, it is important that the city government has set priorities because it would help in the identification of best practices that would work in consideration of the current set-up of the city. Know that what may be applicable in one locality may not be applicable in your own community.

The conduct of Internal Quality Audits is necessary to identify opportunities for improvement. In some other local government unit, audits are done semi-annually, but quarterly audits are proven more effective in Angeles City.