



MECKLENBURG COUNTY  
Land Use and Environmental Services Agency  
Code Enforcement

January 14, 2008  
revised March 03, 2009  
revised May 19, 2009

# Code Compliance Task Force Pass Rate Incentive Program

## Auto-notification, Point of Contact, Inspection Pass Rate Incentives

### 1. Introduction, issue and background

In Spring, 2005 the Building-Development Commission (BDC) requested that the Code Compliance Task Force (CCTF) reconvene to review inspection failure rates growth. Specifically, the BDC set the Task Force goal by challenging the CCTF to **identify strategies to stop inspection failure rate growth and drive that rate down to a new lower plateau.** The Task Force met periodically from May 24 through December 19, 2005, with meeting covering the following topics:

- Discussion of recent trends in industry inspection failure rates, including review of most recent historical data
- Discuss and identify the causes of an increasing inspection failure rate
- Outline possible strategies to mitigate the problem
- Review of ideas from the original CCTF reports (5/12/1999 and 2/9/2000)
- Agree on a list of preferred actions and prioritize same

The CCTF presented a preliminary report to the BDC on August 16, 2005. This was followed by a December 20, 2005 presentation of three specific proposals (described herein). A Public Hearing was held Monday, January 30, 2006. Following the hearing, the CCTF continued to meet, making minor modifications in response to public hearing comments, BDC member recommendations and as needed in order for the program to be applied effectively to all customers.

The Three Part Program as described below and is scheduled to begin July 10, 2007.

### 2. Code Compliance Task Force Three Part Program

#### 2.1 Auto-notification:

This is a voluntary program measure. Customers wishing to be notified when an inspector is en route to their requested inspections may provide an electronic address to which notice will be sent. Notice may be either by e-mail, Nextel or other electronic media. An electronic button on the appropriate inspector computer screen will be clicked when the previous inspection results are entered, or approximately 15 minutes before arriving at the jobsite. The designated customer will be automatically sent a text message as such:

"At (time) today, inspector (number) indicated that they are en route to your inspection request at (address)."

Considering travel time and inspection time, this should give the customer 20-30 minutes lead-time to meet the inspector on the site, if they so desire.

2.1.1 This program requires agreement on expectations of service provided as follows:

- A. Inspector is expected to click the button to provide contractors with advance notice of their presence on site. Notice goes to the inspection requestor (permit holder or their designee)
- B. Customers have the option of voluntarily meeting the inspector on site
- C. If the customer meets the inspector on site the following must be understood:
  1. The inspector's first responsibility is to conduct the inspection
  2. The inspector's second responsibility is to explain the defects to the related discipline contractor within reasonable time limits. If greater instruction is needed, a referral to the appropriate code section will be provided.
  3. M/E/P inspectors deal with the M/E/P contractors, not the General Contractor.
  4. Steps to subscribe to Auto-notification and to designate Point of Contact:
    1. Go to [www.meckpermit.com](http://www.meckpermit.com) and click on Get Your Permit Online on the right side of the screen.
    2. If already registered, the contractor would click on User Sign In. (If they are NOT registered, they may use the self-registration process by clicking on the Create a New Login link under the blue Contractors heading in the center of the screen. To self register, they must know their account number. Account Numbers can be obtained by contacting Revenue Collection at 704-336-3801.)
    3. After clicking User Sign In, the contractor will login as usual entering their USER ID (which is always their account number) and their assigned PASSWORD.
    4. After successful login, the contractor will see their home page. To add or edit their e-mail address, they should click on the **Account Info** link on the left under the Contractor heading.
    5. The Account Info screen contains links on the right side of the screen under the last payment date. To see Contact Information click the **Edit Contact Information** link.
    6. If the contractor self registered, their Contact Name and etc. will already be filled in at the top of the screen. If the contractor was manually registered, this screen will be blank as in the example below. To enter Auto-notification/Point of Contact information, all the contractor has to do is complete the fields noted in red and click the submit button. The contact information will also appear at the top of this screen where before the information was blank.
    7. The contractor can then click on any link on the left or use the User Sign Out link to exit the system.

2.1.2 The CCTF agreed that this idea would be piloted first with the building inspectors.

### **2.2 Point of Contact:**

This will be the principal or officer (VP or other) in charge of construction or their designee. This should include the person most familiar with day-to-day construction activities and the impact of inspection failure rates on the same. Only one Point of Contact is allowed for each contractor. The reports sent to the "Point of Contact" will include but are not limited to:

- A. Quarterly Reports (as previously posted on the web)
- B. New quarterly summary for a contractors defect rate and re-inspection fee charge results.

The "Point of Contact" list will also serve as a contact list for industry notification of interpretation changes, process changes, etc.

2.2.1 Other details:

- A. The startup will be achieved by a targeted letter writing campaign and intense solicitation of contractors designees via e-mail or snail mail. This process is similar to how the contractors/A&E e-mail lists were

created.

1. This will be augmented by notices at bond renewal
  2. And through the public hearing process
- B. Renewal is self-maintaining (i.e.: once the “program” goes into place, it is in the contractor’s interest to have the appropriate Point of Contact.
- C. Tied to the permitting process; therefore the Point of Contact is verified electronically at permit application; the system will be programmed to request a current or new name, if required.
- D. See 2.1.1.C.4. (1-7) for steps to designate the Point of Contact.

**Inspection Pass Rate Incentives:**

**Purpose:** To improve inspection readiness and to develop educational incentive opportunities for customers with high inspection failure rates to aid them in improving their pass rates.

**Background:** Many contractors are very diligent regarding checking their work for compliance in advance of the inspection. This program rewards them by placing them ahead in the line of those who are less diligent (have high inspection failure rates). Since history shows that contractors with high failure rates have trouble passing re-inspections, this program focuses on the re-inspection schedule and strives to give them more time to prepare for that event. Where the inspection failure problem persists on re-inspections, the program requires more extensive pre-inspection work to increase the pass rate.

**Result:** Inspection failure rates will decrease, saving inspector resources, positively impacting our inspection response times, and benefiting the conscientious customers with faster inspections.

**The Threshold:**

- A. For the purpose of this initiative, “high inspection failure rates” are considered by the Industry, Department and BDC as 40% or greater.
- B. The Industry and Department agree that at or above the 40% threshold, special inspection process steps are applied.
- C. Calculate base inspection failure rates on the current quarterly basis (Jan-March, April-June, etc).
- D. Contractors falling into the “high failure rate performance net” will be able to view on the website [www.meckpermit.com](http://www.meckpermit.com) by the 10<sup>th</sup> day of the new quarter that they have been shifted out of the normal inspection service process track and into a “high failure rate inspections track”, in addition noting:
  - D.1. They will stay in that track for at least the next three months, or until their inspection failure rate falls below 40%, whichever is later (the only exception to this will be as noted in 2.3.4.B.).

**The high inspection failure rate track or process:** The inspections process for contractors in the “high failure rate inspections track” will be determined based on two considerations:

1. Is the contractor considered a low or a high activity contractor as it relates to inspections count and:
2. Is the permitted work associated with other trade work or is it a stand alone project?

**If the high failure rate contractor’s inspection activity count for the previous (reporting) quarter is a total of nineteen (19) inspections or less, but more than six (6), and the permitted work is not associated with any other trade (permit is a stand alone permit), the contractor’s permit fees will be adjusted as follows:**

- For permit fees otherwise \$38.00 to \$500.00, the fee is tripled.
- For permit fees otherwise \$501.00 or greater, the fee is doubled.

**\*\*For this group; Section 2.3.4 does not apply.**

If the high failure rate contractor’s inspection activity count for the previous (reporting) quarter is twenty or more inspections or the permitted work is associated with other trade work (not a stand alone permit) the inspection process will be as follows:

- 2.3.4. All high failure rate contractors' initial inspection requests will automatically be delayed for two days (all other contractors' step in front of them on the priority list).** After two days, the "high failure rate contractors" assume a position of parity with the other contractors, with respect to inspection requests.
- 2.3.5. Exceptions:**
- Re-inspections of a Non Chargeable Failure.
  - Sheathing Inspections.
  - Initial Final Inspection of a Project.
  - Re-inspection utilizing the "Inspection by Appointment" Program (Standard IBA rules apply).
- 2.3.6. In addition, the high failure rate contractor picks from the following options on assuring the work is code compliant, advising the Department electronically at the time of the inspection request:**
- A. In the event the initial inspection fails, on the first re-inspection, prior to having the work re-inspected, the contractor will verify that the work is ready for re-inspection by having it pre-inspected using one of the following options:
- A.1. Pre-inspection by the license holder (qualifier) and completing the [Mecklenburg County pre-inspection form](#), posted on the site prior to the inspector's arrival following the required two-day delay. There will be no added charge under this option (however, calculation in overall project re-inspection fee charges will remain in this case).
- A.2. Pre-inspection by a seal holder (Architect/Engineer) or by a NC Code Enforcement Official not employed by Mecklenburg County and completing the Mecklenburg County pre-inspection form, posted on the site prior to the inspector's arrival following the required two day delay. There will be no added charge under this option (however, calculation in overall project re-inspection fee charges will remain in this case).
- A.3. Have the work re-inspected by utilizing the Inspection by Appointment (IBA) Program with the minimum two hour block at a cost of \$230 (two day delay required).
- In this event, this inspection will be removed from the re-inspection fee charge calculation described in the fee ordinance, but will remain in the individual contractor's failure rate calculation
- A.4. Utilize the Department Inspector at \$90.00 per hour after the minimum five (5) day delay, if available.
- In this event, this inspection will be removed from the re-inspection fee charge calculation described in the fee ordinance, but will remain in the individual contractor's failure rate calculation;
  - A minimum \$90 charge will be automatically assessed for all trips; and
  - While onsite, the inspector is only allowed to address the issue prompting the trip.

**2.3.6. In addition, the high failure rate contractor picks from the following options on assuring the work is code compliant, advising the Department electronically at the time of the inspection request (continued):**

- B. If the work fails a second time; only options A.2, A.3, and A.4 are available.
- C. Contractors will be eligible to rotate off the “high failure rate contractors” list by one of two methods:
  - C.1. Either successfully complete at least 12 contact hours of technical training in the NC Building Code. Accepted classes will be those offered through the NC Code Official Certification Program (upon presentation of documentation on passing the class, contractor is removed from the “high failure rate inspections track”), or
  - C.2. Maintain an inspection failure rate of less than 40%, on average, for a 3 month (full quarter) period.
- D. Contractors who rotate off the “high failure rate contractors” list, but thereafter have the quarterly failure rate exceed the 40% threshold in the next 5 years will be subject to the following:
  - D.1 Successfully complete at least 12 contact hours of technical training in the NC Building Code. Accepted classes will be those offered through the NC Code Official Certification Program.
  - D.2. Maintain an inspection failure rate of less than 40%, on average, for a three month (full quarter) period.
  - D.3. Department has the discretion of notifying the appropriate NC Contractor Licensing Board advising them of issue. Such referrals will be made per the Department’s February 26, 2004 Policy on A/E/Contractor case referral.

**2.3.7. Assumptions:**

- Assumption #1: CC/CO/TCO changes will be in place, creating re-inspection fee calculation at Certificate of Occupancy.
- Assumption #2: Program will have no exception (political or otherwise) and is applied across the board. Advice upper management that special allowances will undermine the program and service to the Industry.
- Assumption #3: “Auto-notification” and “Point of Contact” are in place at program startup
- Assumption #4: The POSSE system is audited to assure accuracy of the failure rate numbers used in the “program” calculations.
- Assumption #5: Before program startup, the Industry and Department will review the defect codes classified as “non chargeable”, or in previous CCTF discussions “failures that are not really failures”. Part of this work will be to review how contractor failure rates are posted on the web, to assure contractors have all necessary information available.

**2.3.8. The “Inspection Pass Rate Incentives” startup will be phased in.**

- A. The threshold for the first six months will be 50%, those contractors immediately becoming subject to the “program”.
- B. During the first six months, contractors between 35% and less than 50%, will be notified of their performance and the impending change:
  - B.1. By quarterly notice via e-mail; or
  - B.2. By electronic notice at each inspection request
- C. After the first six months the program threshold is scheduled to fall to 40%, so all contractors at or above 40% will be subject to the “program”.

**2.3.9. Industry notification of the “Inspection Pass Rate Incentives” startup.**

- A. As soon as the public hearing is complete and the BDC votes in support of the program description, a targeted letter writing campaign will be affected to advise all contractors of the program startup.
  - A.1. Plus an intense public presentation and information campaign will be planned with the HBA, MGCA, and other trade associations.
  - A.2. At least four public presentations will be held in brown bag lunches at the Hal Marshall Service Center.
- B. Electronic notification in advance of program start will include the following:
  - B.1. Contractors over 45% will be notified in a first quarter electronic or snail mailing, noting that contractors at or over 50% will be fully subject to the new program on July 10, 2007.
  - B.2. Contractors between 35-45% will be notified in a first quarter electronic or snail mailing, of the phased in program alerting that they are vulnerable. In addition, they will be advised the contractors at or over 40% will be fully subject to the program on January 1, 2008.
- C. Post program startup notification for contractors between 35% and less than 40%, will be as described in 2.3.9.B.2.