OFFICE OF THE CITY AUDITOR
City and County of Honolulu
State of Hawai'i

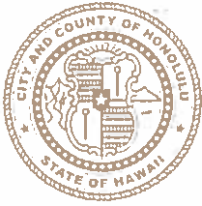# Audit of the Department of Customer Services' Motor Vehicle, Licensing and Permits Program

Audit of the Department of Customer Services' Motor Vehicle, Licensing and Permits Program

A Report to the
Mayor
and the
City Council
of Honolulu

Submitted by

THE CITY AUDITOR
CITY AND COUNTY
OF HONOLULU
STATE OF HAWAI`I

Report No. 14-02
August 2014

OFFICE OF THE CITY AUDITOR

CITY AND COUNTY OF HONOLULU

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EDWIN S.W. YOUNG
CITY AUDITOR

August 28, 2014

The Honorable Ernest Y. Martin, Chair
    and Members
Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawai'i 96813

Dear Council Chair Martin:

A copy of our final report on the *Audit of the Department of Customer Services' (CSD) Motor Vehicle, Licensing and Permits Program* is attached. The audit was conducted pursuant to Council Resolution 13-27, which requested the city auditor to conduct a performance audit of the CSD and its Motor Vehicle, Licensing and Permits (MVLP) Division. The audit was performed in accordance with generally accepted government auditing standards from September 2013 to July 2014.

The audit objectives were to (1) determine the efficiency of staff to process various motor vehicle licensing and permitting transactions; (2) provide detailed statistics on daily and monthly transactions and provide recommendations on streamlining processes at motor vehicle licensing locations; and (3) provide recommendations for legislation that should be introduced to assist with motor vehicle licensing location efficiency. To address these objectives, our audit assessed the efficiency and effectiveness of staff processing drivers licensing and State identification cards transactions at drivers licensing offices; assessed the management practices related to processing drivers licenses and State of Hawai'i identification cards; and identified recommendations for improving operational efficiency at drivers licensing offices.

Background: The Customer Services Department (CSD) is responsible for providing motor vehicle, licensing and permits, and State of Hawai'i identification card services to the residents of the City and County of Honolulu. These services are provided through its Motor Vehicle, Licensing and Permits (MVLP) Division at five[1] full service driver licensing offices throughout the city.

Many residents of Honolulu who deal directly with the MVLP Division in the Customer Service Department will form their opinions about city government operations based on the efficiency and effectiveness of their experience with MVLP. The Customer Services Department and MVLP must therefore provide the highest quality of service to the public, whether the interaction is in person, on the phone, or electronically.

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[1] CSD has five MVLP Division offices, nine Satellite City Hall Division offices, and one service center in the city. Although four of the five MVLP offices are located at the same location as satellite city halls, the offices are considered separate. The audit addresses the five MVLP Division office operations.

Audit Results: We found the Department of Customer Services Motor Vehicle, Licensing and Permits Division needs to improve customer service in its operations. The CSD and the office of the mayor initiated several projects for reducing the long lines and long waits at its satellite city halls and motor vehicle, licensing and permit offices. However, the MVLP Division did not support the initiatives for improving customer service; did not consider the long lines and long waits as valid concerns; and did not support or fully implement initiatives to reduce waiting times and lines.
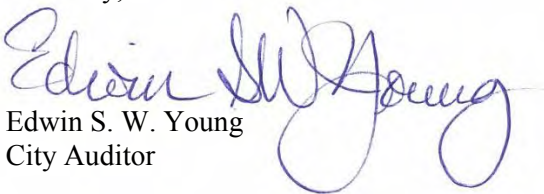
MVLP priority was on correctly processing licenses and identifications and efficiently completing each transaction. Customer service and reducing long waits was not a priority. As a result, customer long lines, long waits, and complaints continued. Improving MVLP customer service could mitigate many public complaints.

The CSD and its MVLP Division also could have prepared better for the city's assumption of the State of Hawai'i identification card program by accepting all the resources offered by the State of Hawai'i Department of Transportation prior to January 2013.

We believe MVLP could reduce lines, waiting times and the effects of waiting if MVLP managers were more proactive (versus reactive); applied queuing concepts to anticipate demand and improve window coverage and staffing; and accumulated quantitative data for analysis. Waiting lines could also be reduced if MVLP provided better public information; improved office facilities; and filled existing vacancies. The MVLP Division also needs to adopt attitudes, practices and customer-service related procedures similar to those of the CSD Satellite City Hall Division. The management comments are responsive to our audit recommendations.

We express our appreciation for the cooperation and assistance provided us by the staffs of the Office of the Managing Director, the Customer Services Department, the MVLP Division staff and managers, and the many others who assisted us during our review. We are available to meet with you and your staff to discuss the review results and to provide more information. If you have any questions regarding the audit report, please call me at 768-3130.

Sincerely,

Edwin S. W. Young
City Auditor

c: Kirk Caldwell, Mayor
     Ember Shinn, Managing Director
     Nelson Koyanagi, Director, Department of Budget and Fiscal Services
     Sherilyn Kajiwara, Director, Customer Services Department
     Preston Ko, Assistant Administrator, Motor Vehicles, Licensing and Permits Division
     Van Lee, Deputy City Auditor
     Wayne Kawamura, Senior Auditor

Table of Contents

Chapter 4   Conclusions and Recommendations

Appendices

List of Exhibits

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Chapter 1

Introduction and Background

Introduction and Background

On March 20, 2013, the Honolulu City Council adopted Resolution 13-27, *Requesting the City Auditor to Audit the Department of Customer Services' Motor Vehicle, Licensing and Permits Program.* In the resolution, the city council requested the city auditor to address issues related to the motor vehicle, licensing and permits program. The issues included the efficiency of staff, transaction statistics, streamlining processes, and recommendations for legislation. The resolution cited public complaints regarding long lines and wait times at motor vehicle licensing locations.

Exhibit 1.1
Photo of Lines at a Motor Vehicle, Licensing and Permits Office

Source: Office of the City Auditor photo

Customer Services Department responsibilities, goals, and mission

The Customer Services Department (CSD) consists of four divisions: Administration; Public Communication; Satellite City Halls; and Motor Vehicle, Licensing and Permits (MVLP). CSD has nine satellite city halls in the City and County of Honolulu

and one recently opened service center.[1] CSD's stated mission is *to provide the highest quality of service to the public, whether the interaction is in person, on the phone, or electronically.* Its overall goals and objectives are to provide courteous and efficient service.

For FY 2013, the CSD operating expenditures totaled $19.3 million; total revenues totaled $155.1 million; and total authorized staffing was 307 full time equivalents (FTEs). CSD vacancies totaled 70 FTEs, or 22 percent. The organization of the MVLP Division and the other divisions in the Customer Services Department is shown below.

Exhibit 1.2
Customer Services Department (CSD) Organizational Chart
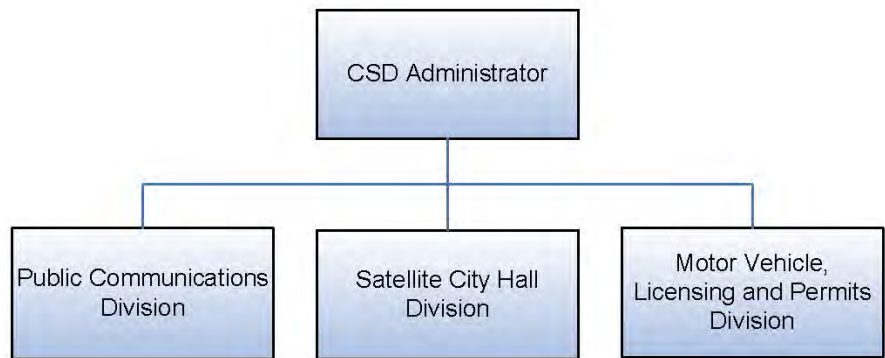
Source: Customer Services Department, 2014

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[1] The nine satellite city halls are located at Ala Moana Center; Pearlridge Shopping Center; Hawai'i Kai Corporate Plaza; Windward City Shopping Center; Fort Street Mall; Kapolei Hale; Kapalama City Square; Wahiawa Police Station; and Wai'anae Neighborhood Community Center. A service center recently opened by the Satellite City Hall Division at Pearl Harbor offers motor vehicle registration services only. Satellite City Halls at Pearlridge Shopping Center, Windward City Shopping Center, Hawai'i Kai Corporate Plaza, and Fort Street Mall also offer driver license renewal and duplicates services.

The Satellite City Hall Division and MVLP Division operate as separate entities within CSD. The five MVLP Division offices at Kapolei Hale, Wahiawa Police Station, Wai'anae Neighborhood Community Center, Kapalama City Square, and Ko'olau issue State of Hawai'i identification cards and driver licenses.

CSD Motor Vehicle, Licensing and Permits (MVLP) Division responsibilities

The CSD Motor Vehicle, Licensing and Permits Division has primary responsibility for processing motor vehicle registrations, issuing driver and business licenses, and processing and issuing State of Hawaiʻi identification cards. MVLP's other responsibilities include issuing permits for disabled parking; administering and enforcing the motor vehicle inspection program; issuing animal registrations, licenses, and permits; and administering the city's abandoned and derelict vehicle program.[2] Driver licenses and State of Hawaiʻi identification cards are issued by MVLP Division offices at Kapolei, Wahiawa, Waiʻanae, Kalihi-Palama (City Square) and Koʻolau.[3]

MVLP Division organization, branches, locations and resources

The MVLP Division has three major branches: Driver License; Motor Vehicle; and Special Services.

Exhibit 1.3
CSD Motor Vehicles, Licensing and Permits Division Organizational Chart
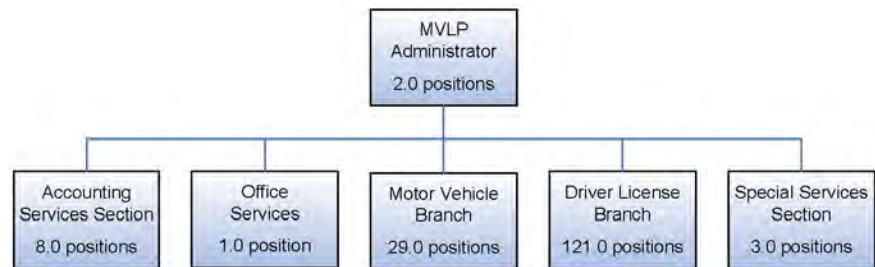
Source: Customer Services Department, 2014

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[2] Other MVLP responsibilities include taxicab licenses, bicycle and moped registrations, animal control, publication racks, reconstructed and annual vehicle inspections, financial responsibility and various business license registrations.

[3] During the audit, CSD opened a new service center at Pearl Harbor. The office was under the auspices of the Satellite City Hall Division and was not included in the audit as the office performs only motor vehicle transactions.

The MVLP Driver License Branch tests and issues driver licenses to motor vehicles operators, and issues State of Hawaiʻi identification cards.[4] The Motor Vehicle Branch responsibilities include registering motor vehicles and trailers; collecting motor vehicle fees; processing dealer vehicle transactions; and processing online renewals. The Special Services Section duties include registering bicycles, mopeds, and animals; issuing county business licenses; and issuing permits for loading zones, taxis, and handicap parking. The MVLP administrator, assistant administrator, Office Services, and Accounting Services Section provide administrative and support services to the three major branches.

Three positions are involved in processing and issuing driver licenses, as well as learner permits. The driver license examiner administers the written and driver testing, collects fees; and issues the driver licenses and learner permits. The driver license clerk performs the clerical tasks related to processing and issuing driver licenses and learner permits, processing applications, collecting fees and reviewing documents. The clerk position is used as an entry-level position for related clerical tasks. The driver license clerk and clerk positions also process and issue state identification cards.

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[4] On January 2, 2013, the MVLP Driver License Branch assumed responsibility for issuing State of Hawaiʻi identification cards on Oʻahu. Its other duties include issuing taxicab licenses, administering the program for abandoned and derelict vehicles, vehicle inspections, and processing financial responsibility cases.

Exhibit 1.4
Map of Driver License Offices and Satellite City Hall Locations

Source: Customer Services Department, 2014

The MVLP Driver License Section is authorized 86 full time equivalents (FTEs) and has filled 64 FTEs. The unfilled 22 FTEs represent a vacancy rate of 25.6 percent. The staffing as of August 2013 for each office included in our audit is summarized in Exhibit 3.7 (see page 46).

Over the last five years, the division's operating expenditures have remained relatively the same at $13.6 million, while total revenues collected increased 54 percent from $99.9 million in FY 2009 to $154.3 million in FY 2013. MVLP revenues in FY 2013 totaled about 99.5 percent of all CSD revenues collected.

Exhibit 1.5
MVLP Division Revenues and Expenditures

Fiscal Year	Total Operating Expenditures ($ million)	Total Revenue ($ million)
2009	$13.6	$99.9
2010	$13.6	$113.4
2011	$12.8	$138.6
2012	$13.0	$151.7
2013	$13.6	$154.3

Source: 2013 Service Efforts and Accomplishments Report, p.63

MVLP transaction volume

Exhibit 1.6 shows the annual revenue transactions at MVLP offices for FY 2009-FY 2013.

Exhibit 1.6
MVLP Division Transactions

Fiscal Year	Total Revenue Transactions Processed	Total Motor Vehicle Registrations Recorded	Online Vehicle Registration Renewals
FY 2009	1,265,123	994,264	49,449
FY 2010	1,322,252	1,001,203	51,674
FY 2011	1,360,413	1,072,429	59,107
FY 2012	1,366,000	1,092,316	97,103
FY 2013	1,287,430	1,107,198	101,067

Source: 2013 Service Efforts and Accomplishments Report, p.63

Driver license process

The MVLP process for obtaining a driver license or permit requires an applicant to:

- Appear in person at a city driver licensing office (some limited exceptions exist);

- Complete an application and comply with eligibility requirements (e.g., age, medical, financial responsibility, minor status, and clear driving abstract);

- Provide the appropriate federal REAL ID documents to verify the applicant's identity (see pages 15 and 76);

- Be photographed and submit to an eye test and fingerprinting;

- Pass written and/or road testing, as appropriate; and

- Pay the appropriate testing, permit, or license fees.

The fees and duration of the driver licenses are determined by ordinance, and vary according to the age of the applicant. Other miscellaneous fees apply for duplicating, reactivating, or reinstating licenses; and for verification of non-United States citizens as required by state law.

State of Hawaiʻi identification process

Hawaiʻi law, Act 310, Session Laws of Hawaiʻi (2012), consolidated the state's driver license and State of Hawaiʻi identification card programs to satisfy federal REAL ID Act requirements. Act 310 authorized the four counties' driver license offices to take over the function of issuing State of Hawaiʻi identification cards that were previously the responsibility of the State of Hawaiʻi Department of Attorney General.

The MVLP Division processed 51,512[5] State of Hawaiʻi identification card transactions in calendar year 2013. The transaction volume for state identifications increased the MVLP workload after the city assumed responsibility for issuing the state identification cards. Based on the State of Hawaiʻi data, we estimate the MVLP annual workload increase will vary from 35,100 to 56,160 transactions per year.

Anyone applying for an original or renewing a State of Hawaiʻi identification card must comply with several requirements. They must, in person, present two original or certified documents that prove their legal name, date of birth, social security number, legal presence, and principal residence address in the U.S. The applicant must present the documents at any of the city's driver license office locations.

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[5] In 2013, the Census Bureau reported the population for the City and County of Honolulu was 976,372, or 70.2% of the 1,390,090 population for the State of Hawaiʻi. The report assumes 70.2% of the State of Hawaiʻi identification workload was transferred to the city's MVLP Division. State identification volume varies from 50,000 to 80,000 per year. We therefore estimate the annual MVLP state identification workload will vary from 35,100 to 56,160 transactions per year (70.2% X 50,000 to 80,000 transactions).

As of May 1, 2014, the same kinds of documents are required for driver licenses, including the proof of principal residence address. The process for obtaining the state identification card requires the applicant to:

- Appear in person at a city driver licensing office only;

- Complete an application;

- Provide the appropriate REAL ID documentation to verify identity;

- Be photographed for the card image; and pay the appropriate fee.

The cost for obtaining a State of Hawai'i identification card is $40. The identification card is good for eight years for permanent residents. For temporary residents, the identification card is valid for the length of the temporary resident's legal stay.

Exhibit 1.7 details the driver's license and State of Hawai'i identification card processes. The exhibit shows the current general process for issuing a driver's license and a State of Hawai'i identification in accordance with federal REAL ID requirements. The exhibit also shows the pilot process that was implemented in January 2013 at the Ko'olau driver licensing office. The pilot process uses a document review, queuing, taking a seat, and waiting for transaction processing.

Exhibit 1.7
Driver License and State Identification Processing

General Processing

ENTER

Complete Application

Document review is provided prior to entering service line at City Square location to prevent unnecessary waiting by applicants with insufficient documents.

Enter Servicing Line. All Lines and Customers Serviced on First Come, First Served Basis

Required Documents Need to Be Presented -OR- Issues Need to Be Resolved

Unable to Process

Window Processing
- Document Review
- Documents Scanned
- Manual Data Input
- Electronic Verifications
- Security photo
(Driver's License only: Eye Testing)

Enter Cashier Line or Wait to be Called to Cashier Position

Cashier Processing
- Information Confirmed
- Fingerprinting
- Signature
- ID Photo
- Payment Collected

Wait for Temporary ID production

Temporary ID issued

EXIT

Pilot Processing

ENTER

Complete Application

Check-In
Document Review

Service Number Issued in order of arrival

Unable to Process

Required Documents Need to Be Presented

Seated waiting area until number is called for window processing

Window Processing
- Documentation Verified
- Documents Scanned
- Manual Data Input
- Electronic Verifications
- Security photo
(Driver's License only: Eye Testing)

Unable to Process

Issues Need to Be Resolved

Seated waiting area until called to cashier window

Cashier Processing
- Information Confirmed
- Fingerprinting
- Signature
- ID Photo
- Payment Collected

Seated waiting area while waiting for temporary ID production

Temporary ID issued

EXIT

Source: Office of the City Auditor and Department of Customer Services

9

Audit Objectives

City Council Resolution 13-27 requested an audit of the Department of Customer Services' motor vehicle, licensing and permits program. The resolution requested the city auditor to:

- Determine the efficiency of staff to process various motor vehicle licensing and permitting transactions;

- Provide detailed statistics on daily and monthly transactions;

- Provide recommendations on streamlining processes at motor vehicle licensing locations; and

- Provide recommendations for legislation that should be introduced to assist with motor vehicle licensing location efficiency.

To address these objectives, our audit assessed the efficiency and effectiveness of staff processing driver licensing and state identification cards transactions at driver licensing offices; assessed the management practices related to processing driver licenses and State of Hawai'i identification cards; and identified recommendations for improving operational efficiency at driver licensing offices.

Scope and Methodology

The audit was conducted in accordance with generally accepted government auditing standards (GAGAS). These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. The audit was performed from September 2013 to July 2014.

This audit focuses specifically upon the processing of driver licenses and State of Hawai'i identification cards issued by the Customer Services Department MVLP Division. The audit was focused on the MVLP driver licensing offices which were the source of city council concerns and public complaints regarding the long lines and long waits.

We reviewed best practices from other jurisdictions' licensing and state identification card programs related to processing, technology, customer service, and customer experience. We reviewed and assessed the efficiency and effectiveness of the city processes used for processing driver licenses and state

identification transactions; the adequacy of current operations to meet customer expectations and customer service objectives; and management practices pertaining to the staffing, training, and resources allocated to processing these items. We identified and made recommendations for improving the efficiency of the services and processes at the audited driver licensing offices.

We reviewed policies, procedures, and practices to determine compliance with current federal, state, and city laws and regulations. We reviewed MVLP Division reports, processing procedures, complaint logs, and position descriptions. We interviewed top level supervisors, location supervisors, clerks and examiners from the division, as well as, administrators from the customer services department and other staff. We also interviewed the administrator and location supervisors from the satellite city halls, made site visits to five satellite city halls and offices. We visited the satellite city hall at Pearlridge Shopping Center and evaluated the Aloha-Q virtual queuing project which was applied to the driver licensing process and services.   We assessed the adequacy of current processing methods in meeting the customer service needs and experiences.

We conducted site visits to observe processing of driver license and state identification card transactions. During these visits, we timed samples of customer arrivals to determine how long different processes took; and how long it took from the time an applicant arrived on location until they were completely processed. We also surveyed customers to assess how current customer needs and expectations were being met by the current operations. We compared the survey results to complaints made to the department in the previous three years to determine the department's and division's responsiveness to earlier complaints and to identify any improvements.

We did not review applicant driver license examinations for learner permits, driver licenses, or commercial driver licenses because the exams were not related to the timely processing of transactions. The exams were more related to the competence of the applicants to meet functional and knowledge requirements related to driving. The driver license renewal and duplicate services provided by satellite city halls were not audited during this project.

We did review and time the processing of transactions related to the overall phases of processing driver licenses; application, service window processing, cashiering, and total processing. We evaluated the current management and operational practice of

using driver license examiners for supplemental staffing and to cover window services. Finally, we reviewed, observed, and evaluated the staffing and management processes and practices at all five of the driver license offices in the MVLP Division.

Audit Results

The CSD and the Office of the Mayor initiated several projects for reducing the long lines and long waits at its satellite city halls and motor vehicle, licensing and permit offices. However, the MVLP Division did not support the initiatives for improving customer service and did not consider the long lines and long waits as valid concerns. MVLP did not support or fully implement the initiatives to reduce waiting times and lines. MVLP reported its priority was on correctly processing driver licenses and identification cards, and efficiently completing each transaction. Customer service and reducing long lines waits was not a priority. As a result, customer long lines, long waits, and complaints continued. The CSD and its MVLP Division could also have better prepared for the city's assumption of the State of Hawai'i identification card program by accepting all the resources offered by the State of Hawai'i Department of Transportation prior to January 2013. If the Department of Customer Services' Motor Vehicle, Licensing and Permits Division improves customer service in its operations, we believe many of the public complaints could be mitigated.

We believe the MVLP Division could reduce lines and waiting times if MVLP managers were more proactive (versus reactive) and applied queuing concepts to anticipate demand and improve window coverage and staffing. Waiting lines could also be reduced if MVLP accumulated quantitative data for analysis; provided better public information; improved office facilities; and filled existing vacancies. The MVLP Division also needs to adopt CSD Satellite City Hall Division attitudes, practices and procedures related to customer service.

Chapter 2

The Customer Services Department's Motor Vehicle, Licensing and Permits Division Needs to Improve Customer Service

The Department of Customer Services' Motor Vehicle, Licensing and Permits (MVLP) Division must improve customer service in its operations. The CSD and the Office of the Mayor initiated several projects for reducing the long lines and long waits at its satellite city halls and motor vehicle, licensing and permit offices. However, the MVLP Division did not support the initiatives for improving customer service; did not consider the long lines and long waits as valid concerns; and did not support or fully implement initiatives to reduce waiting times and lines. MVLP priority was on correctly processing licenses and identification cards and efficiently processing each transaction. Customer service and reducing long waits were not division priorities. As a result, customer long lines, long waits, and complaints continued. Improving MVLP customer service could mitigate many public complaints. The CSD and its MVLP Division could also have better prepared for the city's assumption of the State of Hawai'i identification card program prior to January 2013 by accepting all the resources offered by the State of Hawai'i Department of Transportation.

Background

In recent years, the MVLP Division usually processed over 100,000 transactions per year in its driver license offices. The driver license transaction volume by MVLP office for FY 2006 through FY 2013 is shown in Exhibit 2.1.

Exhibit 2.1

Overall Driver License Transactions Per Location by Fiscal Year

DMV Locations	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
City Square	62,397	67,255	45,917	48,611	60,735	91,084	51,879	46,415
Kapolei	18,382	20,192	20,970	21,400	28,014	29,481	27,977	26,924
Koʻolau	-	5,374	9,213	12,723	12,714	12,790	12,015	18,998
Wahiawa	18,762	20,478	16,543	17,002	20,766	20,777	18,301	17,311
Waiʻanae	3,666	4,008	2,717	3,070	4,013	4,196	3,324	3,479
Pearl City	26,266	29,717	-	-	-	-	-	-
Total	**129,473**	**147,024**	**95,360**	**102,806**	**126,242**	**158,328**	**113,496**	**113,127**

Source: Department and Agency Reports, FY 2006-FY 2013
Note: Excludes Satellite City Halls and Commercial Driver License

Exhibit 2.2

Driver License Transactions at Honolulu MVLP Locations
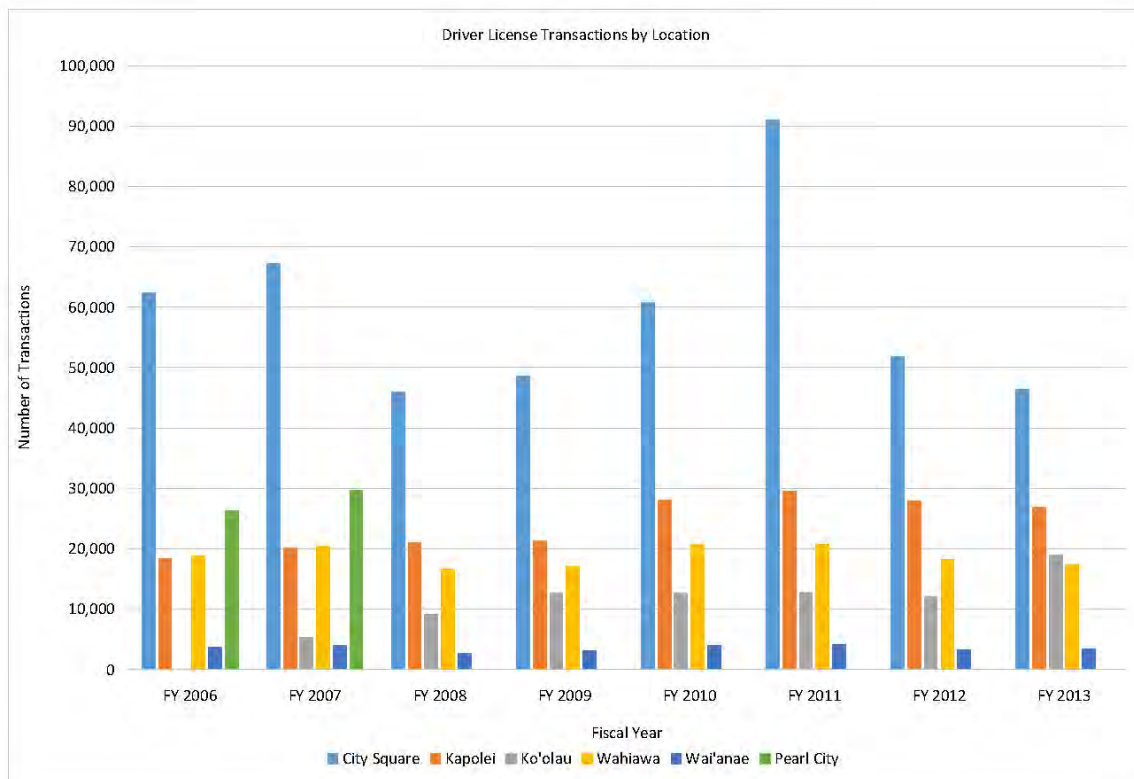
Source: Department and Agency Reports, FY 2006-FY 2013
Note: Excludes Satellite City Halls and Commercial Driver License.
The MVLP Pearl City office was closed in 2008, reducing the number of driver license offices to five.

State Identification and Federal REAL ID Requirements Increased MVLP Workload

Hawai'i law, Act 310, Session Laws of Hawai'i (2012), consolidated the state's driver license and State of Hawai'i identification card programs to satisfy federal REAL ID Act requirements. Act 310 authorized the City and County of Honolulu to take over the function of issuing State of Hawai'i identification cards that were previously the responsibility of the State of Hawai'i Department of Attorney General. An effect of the new law was increased MVLP workloads.

The federal REAL ID law and regulations affected document requirements and processing for state identifications, as well as driver licenses. The new requirements increased MVLP processing times, required verifications through at least three databases and systems, and required customers to have the proper documents for MVLP processing. Appendix 1 details the federal REAL ID requirements and process. More specifically:

- The federal REAL ID Act of 2005 established and implemented regulations for state driver licenses and state (civil) identifications.

- The Act required the state and the federal governments to improve the reliability and accuracy of state-issued identification documents in order to reduce fraud and deter acts of terrorism.

- The Act established minimum requirements for producing and issuing state driver licenses and identification cards, and prohibits federal agencies from accepting for official uses driver licenses and identification cards from states that are not certified by the U.S. Department of Homeland Security (DHS).

- Under the Act, applicants must appear in person; the applicant must present specific documents to verify the applicant's identity; and a facial image (photo) must be taken.

- MVLP employees must be trained in recognizing fraudulent documents; must review and verify the documents; must scan the documents in a transferable format; and retain the scanned documents for at least 10 years.

- MVLP employees must verify the documents by accessing the Social Security Online Verification database (SSOLV); the National Association for Public Health Statistics and Information Systems' (NAPHSIS) Electronic Verification of Vital Events; the U.S. Department of Homeland Security entitlements database (via VLS, USCIS SAVE data) for non-citizens; and verify the applicant does not hold multiple licenses or have problems related to the driver license.

Like the state identification card program, the MVLP process for obtaining a driver license or permit required an applicant to appear in person at a city driver licensing office (some limited exceptions exist), complete an application and comply with eligibility requirements (e.g., age, medical, financial responsibility, minor status, and clear driving abstract); and provide the appropriate federal REAL ID documents to verify the applicant's identity. The applicant must be photographed and submit to an eye test and fingerprinting. As appropriate, the applicant must pass written and/or road testing, and pay the appropriate testing, permit, or license fees. The driver license expiration is set by ordinance, and varies according to the age of the applicant.

CSD and MVLP Did Not Coordinate or Fully Implement Customer Services Initiatives

After the MVLP Division assumed responsibility for processing and issuing State of Hawai'i identification cards, customers complained about long lines and long waits. The Office of the Mayor had previously reported plans to hire additional employees for the program and, in June 2012, the city council approved the administration's request to add nine new positions, and approved an additional $223,624 in salaries and current expenses for the State of Hawai'i identification program.

In the face of increasing customer demand, waiting times, and customer complaints in FY 2013, the Office of the Mayor and CSD managers tried to improve customer service by introducing several initiatives. CSD and mayoral initiatives for improving the program included managing workflow and customer inquiries; implementing technology improvements such as virtual queues, and online real-time monitoring of wait times.

These initiatives were not fully implemented because the corrective actions were not coordinated or supported by the former MVLP administrator. According to the former MVLP administrator, he did not support the new initiatives because he believed the mayor's office and CSD upper level managers were

not knowledgeable enough to make the correct decisions, or did not understand the impact of these initiatives on the MVLP operations. For example:

- The CSD initiative for state identification card processing at its City Square[1] location was not reviewed or approved by MVLP managers and staff. According to MVLP managers and staff, the initiative for separate driver license and state identification card lines increased public complaints; created long lines and long waits; and confusion among individuals lining up for taxicab permits and other services. The division subsequently eliminated the separate line for state identification card applicants and merged both lines in June 2014 after MVLP determined the waits were increasing.

Exhibit 2.3
Photo of MVLP Lines at City Square Office

Source: Office of the City Auditor photo

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[1] City Square originally had six windows that served all transactions. Per the CSD-mayoral initiative, MVLP dedicated two windows to state identification; three windows to driver licenses, and one hybrid window to be used based on demand. MVLP considered the initiative an inefficient practice and reverted to the original configuration. Our observations at City Square confirmed the practice was impractical. For example, window coverage for driver licenses diminished to one clerk when other staff took their breaks. Although the driver licenses line was long and the state identification line had only 2-3 persons, the clerk at the hybrid window kept calling for state identification customers. This resulted in one hour waits for applicants entering the driver license line during the observation period.

The mayor's office and the CSD director authorized online interactive solutions for making the public aware of the legal documents needed for both the State of Hawai'i identification card and driver license processing, and to prove the applicant's identity. The solution was quickly developed and placed online without the knowledge and consent of the MVLP Division. MVLP Division staff subsequently complained that some of the online information produced for the online guide was incorrect. Although the Department of Information Technology was notified of the errors twice, it did not take actions to resolve them. As a result, incorrect information may still be present in the website guide, and applicants may still be receiving incorrect information on document requirements.

In response to the resolution requesting an audit, the Office of the Mayor and CSD managers claimed they initiated specific corrective actions to resolve the long lines and lengthy waits at the driver license offices. When informed of the initiatives, MVLP managers reported they were not consulted about the corrective actions or the actions to be implemented. According to the CSD director, MVLP staff were not permitted to communicate with CSD managers and this may have contributed to their lack of awareness of the initiatives.

MVLP Did Not Consider Customer Complaints and Concerns Were Valid

MVLP Division managers claimed the customer complaints and concerns about long lines and lengthy waits were invalid. They opined that the long lines and waits were the temporary result of public panic over getting state identification cards in the first three months of 2013. MVLP provided us data for the first eight months of 2013 that indicated the transaction volume increased steadily throughout the period, but MVLP claimed the data showed the customer concerns were not substantiated. The transaction volume increases are illustrated below.

- State identification card transactions constantly amounted to 17-18 percent of the monthly driver license and state identification card transactions.

- The data showed no exceptional amounts for the months of January through March 2013, and that monthly state identification card transactions for April through August exceeded the January through March totals by 4-16 percent.

- The monthly driver license transactions for April through August exceeded January through March totals by 3-15 percent.

- Customer demand for state identification card services was steady throughout the eight month period.

According to MVLP managers, the lines and waits were probably the result of staff being trained on the job, staff shortages, office physical limitations, and unprepared customers. MVLP managers stated increased demand and public panic contributed to the number of complaints.

Rather than comply with the Office of the Mayor initiatives or the CSD mission statement to provide high quality services to the public, MVLP managers and staff focused on its own processes, procedures, and priorities. These did not expedite customer service or address the additional customer demand. Past CSD managers and directors stated that the former MVLP administrator set his own priorities because he was considered an expert in his field. As a result, complaints regarding the long waits and long lines at MVLP offices were not mitigated.

MVLP Was Not Concerned With Customer Service, or Processing and Waiting Times

MVLP managers and staff stated the processing times and lines are what they are, and the need to reduce lines and wait times is unnecessary. For example:

CSD director initiatives: The CSD director wanted to measure waiting and processing times to determine how long it was taking to process transactions at MVLP driver license offices. The CSD and MVLP Division had estimates, but lacked accurate data. The CSD director tried to implement a voluntary time punch card system for customers to get an idea of total time spent for service, but the MVLP Division opposed the idea by claiming that the union agreement prevented that type of monitoring, and the extra measurement was unnecessary work for the MVLP Division.

Number pull system: The CSD director preferred a pull number system for servicing MVLP customers. The CSD director wanted to provide customers information on their place in line, and to allow the customers to sit down or leave to use restrooms, eat lunch, run errands, or to handle other personal tasks. The former MVLP administrator disliked the pull number system because, in the past, customers were taking a series of numbers and selling the numbers to others in line. The former MVLP administrator

stated the status quo of having everyone stand in line and being serviced on a first-come, first-served basis was better because customers had to pay attention to the line and the processing, and the first-come, first-served system was fairer.

Pilot queuing system: CSD implemented a pilot-processing project at its Ko'olau driver license office that used a virtual queuing solution (called Nemo-Q). The virtual queuing program is designed to provide data and reports on transaction volume and waiting times that could be used to improve customer service. We found the reports were not continuously reviewed by staff or management because the former MVLP administrator found no need to occupy staff time with analyzing reports after finding no value in the initial reports. According to MVLP representatives, the former administrator believed the lines had subsided and, therefore, the need to continue monitoring the queuing data no longer existed.

Tracking processing and wait times: Various CSD and MVLP managers stated there was no accurate way to track processing or waiting times. MVLP estimated time spent waiting to get to the window was 12-15 minutes per applicant and driver license processing time was 20-30 minutes once the customer arrived at the window. MVLP managers did not consider reducing processing or waiting times as valid management concerns. MVLP management stated that customers can check the on-line office cameras for location crowding to determine when to conduct their transactions at the MVLP offices.

Reservation process: MVLP presently uses a reservation process for driver license exams. The former MVLP administrator opposed improvements to expand reservation services because it could create gaps in services when customers failed to appear at the appointment times or created data maintenance issues when they showed up as a walk-in despite having an appointment. Also, there was suspicion that the current appointment system was being unfairly exploited.

MVLP Priority Was On Correctly Processing Licenses and Identifications

The MVLP priority was on processing driver licenses and state identification cards correctly and efficiently completing each transaction. The former MVLP administrator's priority was to comply with federal REAL ID requirements because of Hawai'i's unique situation requiring air travel between islands and states. Priority was also placed on maximizing the number of customers served daily, not on providing customer service or reducing

customer lines and wait times. MVLP successfully implemented the federal REAL ID processing requirements and the federal Department of Homeland Security (DHS) certified the city and the State of Hawai'i as Real ID-compliant in August 2013. That is, Hawai'i credentials are considered appropriate for federal identification uses.   In a subsequent discussion, the MVLP Division contended that it fulfills the CSD's *highest quality of service* mission by being as efficient as possible in processing the driver license and state identification card transactions.

Improved Staff Training is Needed and Should Include Customer Service Training

Appropriate training is necessary for good customer service. The MVLP lacks a formal customer services training program. As a result, MVLP staff do not provide consistent, efficient, or effective service when dealing with customers. Currently, MVLP relies on the Department of Human Resources to provide customer service training to its staff and the training is optional.

MVLP does not have an in-house customer service training program. Its training program consists of classroom and on-the-job training that focuses on developing competency in processing the various types of transactions, adhering to federal Real ID requirements, learning the administrative functions of the division, and recognizing fraudulent documents.

After formal classroom training, the new staff is provided on-the-job training under a supervisor. The on-the-job training involves shadowing another employee, observing transactions; performing the transactions in the presence of a supervisor; performing a limited scope of transactions alone; and lastly being able to process all types of transactions alone. Customer service training is not provided.

MVLP relies on its staff's prior customer service experience and the city human resources department to provide customer service training. The city's human resources department provides optional training on customer service, communications, and dealing with difficult people on a semi-annual or annual basis. MVLP managers stated its employees could request to be sent to these trainings, but approval and actual attendance is subject to the daily operational needs of the MVLP offices. As a result, MVLP staff are not guaranteed they will get to attend the classes if staffing shortages exist at a MVLP office.

Currently, MVLP does not have any in-house customer service training. A MVLP manager attended the human resources

training classes to assess the appropriateness of the training to the MVLP needs and concluded the content was not adequate for the customer service issues and concerns in the division. This manager stated MVLP needed a more tailored training program for customer service and more frequent customer service classes for its staff.

The lack of customer service training affected MVLP attitudes towards customer convenience, wait times, and the importance of customer service. Customer service concerns were secondary to the MVLP goal of ensuring that the internal processing of driver licenses and state identification cards was correct. As a result, MVLP put little effort to address customer service goals and the numerous complaints regarding the MVLP operations were predictable.

Customer Lines and Waiting Times Can Be Better Managed

Customer service research shows that the customer's perception of the experience of waiting is only partly defined by the actual time spent waiting. Customer service best practices indicate that understanding the psychology of waiting or queuing is as important as wait time statistics. For example, queuing psychology research has shown that people overestimate how long they have waited in a line by about 36 percent. This is related to a customer's perception on how long they have waited or taken to be processed as opposed to the actual time spent.

This means that customers may develop a negative impression of customer service based on their incorrect assessment of the time they spent waiting. The value of managing customer experience, like waits, is that conditions that lead to negative customer perceptions and experiences are foreseeable, and can be addressed by applying certain operational changes to mitigate the conditions which typically cause negative customer experiences.

The MVLP Division like other motor vehicle licensing functions across the country faced increased processing requirements in order to comply with the federal REAL ID requirements. Compliance with the federal requirements was affected by the limited budgets and staffing available. At the same time, the MVLP division had to cope with customers who still demanded accountability for effective delivery of services that could only be obtained from the division. Under these circumstances, congested offices, longer waiting times, and frustrated customers and staff all resulted when delays and customer waits for licensing and identification transactions occurred.

Best practices specify management of the customer waits as necessary for a better customer service experience. Although many best practices focus on queue management and reducing process or wait times that lead to customer service issues or complaints (see Appendix 3 for a summary of best practices for managing customer waits), the MVLP Division did not attempt to manage or measure customer waits, reduce processing times, or use queuing systems to manage the customer lines. Customer service lines are a common method for organizing customers for processing. They can also be a common source of tension between customers and service providers if not properly managed.

Customers will reasonably wait for a valuable service

One of the key queuing psychology principles about customer waits is that the more valuable a service is, the longer someone is willing to wait for it. Customer service research further indicates that fairness dictates that the length of a line be commensurate with the value of the product or service waited for. In this case, the city is the only provider of driver license and state identification card services on O'ahu. Our survey indicated that customers are willing to wait for processing services according to what they feel is reasonable.

Principal complaints customers expressed during our survey was the inability to anticipate what their experience would be at the driver license office; anxiety over whether they could complete their business in the time they had allotted; how long they would wait for service; and whether they were prepared to do business. Queuing psychology explains that customers' expectations affect how they feel about lines and waits and that uncertainty magnifies the stress of waiting while feedback, such as expected wait times and explanations for delays, can reduce uncertainty and anxiety.

The MVLP driver license offices currently do not provide any information to reduce this uncertainty or anxiety, or attempt to manage the customer's waiting and service expectations.

The following are ways that other jurisdictions have applied queuing psychological principles while providing service which attempts to manage and influence the customer's waiting experience positively, even if actual processing time or wait times do not decrease.

Eliminating empty time

A key queuing psychological principle is that occupied time feels shorter than unoccupied time. Give customers something to occupy their time and the wait will seem shorter. Activities to fill this empty time should be related to the service, or provide a benefit to the customer. We found that some jurisdictions use the following queuing practices:

- *Apply comfort measures*, such as seated waiting areas with televisions or magazines, to provide distraction while waiting. CSD's management found that in both of its pilot efforts at Pearlridge Satellite City Hall and Ko'olau MVLP driver license office complaints were reduced by minimizing standing in line and providing seating in a waiting area. We observed that this provided an opportunity for customers to distract themselves by reading, using their phones, or talking with their companions.

- *Use the opportunity to engage customers.* Some jurisdictions send staff through lines to acknowledge customers, listen to concerns and questions, and provide information. The CSD and mayor's initiative was to provide document screening via temporary contract workers and MVLP office staff. This allowed MVLP staff to greet, engage, and acknowledge waiting customers. After the temporary document screeners were discontinued, we noted a great deal of frustration at MVLP office locations where document screening was no longer regularly provided. At these locations, when lines had built up, customers reported frustration due to lack of acknowledgment by staff; lack of progress; uncertainty as to when they would be serviced; and displeasure at the time spent standing and waiting.

- *Use the opportunity to provide service information.* Some jurisdictions provide information about their services on video screens, in the location, and in the waiting area. We observed that service information is provided at MVLP offices primarily by signs. However, the signs were not focused, not placed well, confusing, or too many.

- *Disperse the waiting crowds.* Currently, MVLP office customers must continuously wait in lines to be served because MVLP managers believe this is most efficient way to provide service. We found that in other jurisdictions, once the customer established a place in line, they are allowed to wait in line or to leave the location and return

for servicing. This allows the customer to determine how to spend their unoccupied time, and not be confined to waiting on site.

Reducing perception of unfairness in waiting and service

The traditional first-come, first-served approach, while not ideal, can be used by service providers as employed by the MVLP Division. Although it is familiar, research shows that customers expect it to be fair. Deviations from the fairness practice will severely affect a customer's perceptions of the service provided, and can result in disruptive behavior by customers.

- At all the MVLP locations, deviations from the first-come first-served approach are permitted. We observed that customers who could not complete their transaction at the window were told they could return to the front of the line if they returned the same day. MVLP managers viewed it as a reasonable concession to customers who would otherwise have to line up again for servicing. At some locations, the practice led to confrontations between customers and staff about the apparent unfairness of this practice, as it appeared that someone was cutting to the front of the line.

- Other jurisdictions, like the County of Maui, handle this return practice by providing special return tickets or return codes in the virtual queuing system. This minimized disruption of the service lines and customer perceptions of unfairness.

Making information available to customers

Best queuing practices show that customers who know ahead of time how long they will have to wait in line are less anxious than uninformed customers. This is why many jurisdictions have applied the following additional ways to keep their customers informed, beyond providing formal notices:

- Provide virtual updated information to customers via website that indicates relevant location information, such as customers in line, waiting times, visual images of lines, or advice as to how to avoid crowds and minimize waits. Some jurisdictions also provide personalized information to mobile phones that allow customers to virtually queue, and provide service alerts about their locations by social media.

- Provide on-site cues about waiting times, like signs indicating approximate wait times. Some best practice customer service providers even provide an overestimate of waiting times, so that customers can be pleasantly surprised with shorter than posted waits. This is an application of the psychological principle that waiting less than anticipated leaves customers happier than those who wait longer than expected.

Managing customer waits by applying queuing psychological principles may not always reduce wait times, but they can reduce frustration or change negative perceptions in customers about waiting or their service experience. Our observations confirmed that MVLP does not attempt to manage the customer experience or waits. As a result, customer impressions of the city and its operations were not favorable to many. Using customer service best practices could be an effective alternative if it is not feasible to increase staffing.

MVLP Should Develop Customer Service Goals

The MVLP Division does not have customer service goals common among best practices. The customer service goals established by other organizations include overall and individual performance goals, performance measures, response times, and reports on performance. The CSD director suggested a total service time of 30 minutes, including waiting, for over-the-counter service. The former MVLP administrator and managers rejected the performance goal by claiming it was impossible to accurately measure the time from entry in the line to completing the transaction. According to the former MVLP administrator, customers waiting in lines are part of the process and customers should expect to wait in lines when processing licenses and state identification cards. As a result, MVLP did not have any performance measures for customer service.

All Available State Resources Were Not Accepted by MVLP

An organization should increase staffing and service window capacity commensurate with any new responsibilities transferred to the entity. The increases are needed to maintain adequate window coverage and to process more transactions in a timely fashion. Failure to evaluate the need for more staff and the impact on customer service could result in customer dissatisfaction and complaints.

When the state transferred the state identification card
responsibilities to the city, the state offered to transfer nine
positions and reimburse the city for costs related to the nine full
time equivalents. In June 2012, the city council approved the
administration's request to add nine new positions with over
$223,600 in funding, which represented the state's support for the
transferred state functions.

The CSD and its MVLP Division did not accept all the resources
offered and did not prepare well for the transfer of the state
identification card program to the city. MVLP did not conduct
any formal evaluations of the staffing requirements needed to
handle the new state identification card program.

Although vacancies existed in the MVLP Division and the city
council had approved funding for nine positions, the former
MVLP administrator stated he could not justify taking on all nine
positions and accepted only five positions. Two additional
positions were later accepted. The number of positions accepted
by MVLP was inadequate to handle the increased workload or to
maintain an acceptable level of customer service. As a result, long
lines, lengthy waits, and customer complaints occurred.

In subsequent discussions, the acting MVLP administrator stated
that the transferred positions had to be justified to the State
Department of Transportation, and that it was not just a matter of
accepting the extra positions. The MVLP staff could not provide
documentation to support their claim and contended that the
projected state identification transaction volume did not justify
accepting nine staff positions from the State of Hawai'i.

MVLP Underestimated the Impact of the State Identification Card Program

We estimated the annual MVLP workload would increase
between 35,100 to 56,160[2] transactions per year when the city
assumed responsibility for issuing State of Hawai'i identification
cards in January 2013. MVLP data for the first calendar year of
operations showed over 50,000 state identification cards were

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[2] In 2013, the Census Bureau reported the population for the city and county of
Honolulu was 976,372, or 70.2% of the 1,390,090 population for the State of
Hawai'i. The report assumes 70.2% of the State of Hawai'i identification
workload of 50,000 to 80,000 transactions was transferred to the city's MVLP
Division.

issued. This amounted to a nearly 50 percent increase in MVLP transaction volume over the previous year.

Although the increase in transaction volume was predictable, MVLP did not adjust its operations to accommodate the large increase in processing demand. The former MVLP administrator admitted he under-estimated the impact of the new state identification card program on MVLP operations. The staffing shortages contributed to the long lines, customer waits, and the complaints received.

Recommendations

The Director of the Customer Services Department should ensure that:

1. The MVLP Division develops processes and practices that are consistent with the CSD mission statement and goals. The MVLP processes and practices should focus on providing efficient, effective, and practical customer services that are consistent with CSD and customer service best practices used by others.

2. CSD and MVLP coordinate the implementation of new customer services initiatives and CSD should follow-up to ensure the initiatives are fully implemented and are improving customer service in the MVLP Division.

3. CSD and MVLP managers develop continuous in-house customer service training on-the-job and in the classroom. MVLP customer service training should focus on reducing customer lines, waiting times, and better managing customer waiting times.

4. CSD and MVLP develop quantifiable customer performance goals related to items such as customer wait times, customer satisfaction surveys scores, and number of customer complaints received. CSD should monitor MVLP progress in attaining these performance goals.

5. If State of Hawai'i resources for the state identification card program are still available, CSD and the MVLP Division should request and accept all the state resources offered.

Chapter 3

Customer Waiting Times and Lines Can Be Reduced

The Customer Services Department (CSD) and the mayor's office initiated several projects for reducing the long lines and long waits at its satellite city halls and motor vehicle, licensing and permit offices. We believe the Motor Vehicle, Licensing and Permits (MVLP) Division could reduce lines and waiting times if MVLP managers were more proactive (versus reactive); applied queuing concepts to anticipate demand and improve window coverage and staffing; and accumulated quantitative data for analysis. Waiting lines could also be reduced if MVLP provided better public information; improved office facilities; and filled existing vacancies. The MVLP Division needs to adopt CSD Satellite City Hall Division attitudes, practices and processes related to customer services.

Background

The Customer Services Department has two major divisions – the Satellite City Halls Division and the Motor Vehicle, Licensing and Permits Division. Complaints related to the MVLP Division generated concerns among city council members and resulted in a resolution that requested an audit of MVLP (see Appendix 5). Some MVLP offices and operations are co-located with satellite city halls (see Exhibit 1.4). Many residents, therefore, do not know both divisions are separate and operate independent of each other. As a result, we believe resident satisfaction ratings for satellite city halls declined from 61 percent (good or excellent) in 2011 to 44 percent (good or excellent) in 2013.

During our audit, we observed and quantified the wait and processing times per customer at each of the MVLP offices. Waiting periods ranged from 0 to 119 minutes; processing times ranged from 0 to 37 minutes, and total customer waiting and processing time ranged from 0 to 132 minutes. Waiting time composed 55 percent to 86.7 percent of the customer times. The table below summarizes the results of our observations.

Exhibit 3.1
Summary of Wait and Processing Times for Each MVLP Office

Item	City Square	Kapolei	Ko'olau	Wahiawa	Wai'anae
Average Wait Time (minutes)	13.61	22.52	23.2	37.28	7.73
Range (minutes)	0 to 65	1 to 59	0 to 61	0 to 119	0 to 64
Average Processing Time (minutes)	5.40	3.46	2.51	11.0	6.33
Range (minutes)	0 to 37	1 to 16	0 to 37	0 to 17	0 to 36
Total Average Time (minutes)	19.01	25.98	26.33	48.28	14.06
Range (minutes)	8 to 81	4 to 65	0 to 84	0 to 132	0 to 97
Time Waiting (%)	71.6%	86.7%	70.9%	77.2%	55.0%
Time Processing (%)	28.4%	13.3%	29.1%	22.8%	45.0%

Source: Office of City Auditor

The National Citizen Survey for the City and County of Honolulu, Honolulu Community Livability Report, FY 2013, *(p.12 and 13)* asked residents to rate a number of items. Over half of the residents (60%) rated the waiting lines at satellite city halls as a major or a moderate problem. Residents rating satellite city halls as excellent or good declined from 61 percent good or excellent in 2011 to 44 percent good or excellent in 2013. We believe the long lines, lengthy waits, and customer complaints in MVLP offices contributed to the drop in excellent to good ratings because the public may not differentiate satellite city halls from MVLP offices.

MVLP Management Needs to Be More Proactive (Versus Reactive)

Good management practices recommend that managers anticipate and proactively resolve problems, rather than react to problems. The former MVLP administrator discounted the need to take any action to resolve the processing problems. The former MVLP administrator stated the long lines and lengthy waits occurred during the first three months of issuing the State of Hawai'i identifications, and were due to public panic and misinformation about the need for a state identification. Applicants uninformed about the federal requirements compounded the problem.

During our audit, the MVLP managers and staff implemented corrective actions, such as introducing document reviews, to resolve the problems related to the long lines and waits. After the complaints diminished, the MVLP operations returned to the status quo, with little change to its operations. For example,

document review and/or check-ins were implemented for six months from March to September 2013 at all MVLP locations in order to reduce unnecessary waiting. This initiative was temporary and now done in a variety of ways at the driver license offices. The Ko'olau office document review check-in desk is essential to its service process. While the City Square desk is optional prior to entering the service line. The remaining three offices perform document reviews on an *as able* or when staff is available basis.

Although the MVLP Division encountered many challenges that affected the division's ability to process driver licenses and state identification cards, MVLP managers took little action to:

- Resolve variations in processing times; difficulties related to specific types of transactions; or difficulties related to complex verifications;

- Identify, improve, and streamline the federal REAL ID process;

- Find solutions to problems related to the additional reviews and verifications required by the federal REAL ID law;

- Offset the lost service capacity, particularly in the central, very populated Pearl City area when the Pearl City MVLP office closed;

- Find alternatives for handling the increased workload related to assuming the state identification program;

- Develop options for providing adequate staff and window service coverage; and

- Increase staffing and resolve shortages that resulted from hiring freezes and normal attrition of staff.

For example, the MVLP driver license office at the Pearl City police station processed over 25,000 driver license transactions per year. When it closed in 2008, CSD took no action to replace the lost capacity or to provide alternative service to the central O'ahu area which has a large population. Fortunately, the satellite city hall in the Pearlridge Shopping Center and other offices were able to absorb the added workload from the Pearl City MVLP office.

In another example, the MVLP Wahiawa driver license office design and physical space limited the staff's ability and capacity to service residents in the area. CSD took no action to increase the office space, find new office space, or increase the number of windows at this office.

Management of Daily Demand is Reactive

Good management anticipates workload and will assign staff and other resources to handle the anticipated workloads. The MVLP Division currently deals with customer demand on a reactive basis. For example, although the demand periods are fairly typical at most MVLP offices, MVLP managers did not anticipate the workloads or proactively improve operations. MVLP reacted only when the demand for services resulted in long lines and long waits. MVLP managers have not collected data that can be used to study the cause of long lines or high demand at its offices. As a result, management actions are based on past experiences regarding long lines or higher than normal customer demand.

Customer demand is predictable: MVLP management and staff at the MVLP offices indicated that the driver license offices are predictably busy during the following times:

- In the mornings, with lineups for walk-in road test spots;

- At lunch time;

- Wednesday afternoons when public school gets out early and demand for written tests and instructional permits increases;

- During staff scheduled breaks and lunch; and

- During school holidays and seasons when demand is usually greater for all services.[1]

Although managers have identified predictable high demand periods for MVLP offices, MVLP managers have not developed a strategy for handling the predictable workload. When lines get long, waits increase, or customer demand for services increases, the MVLP managers and staff will react by assuming multiple tasks.

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[1] Traditionally, part time road test examiners are brought in on 60-day contracts to perform road tests during the summer and winter school breaks.

Office operations: Office operations can be improved by anticipating workload and providing optimal staffing and window coverage that will minimize the lines and wait times during the peak periods. MVLP managers currently react to customer demand for services. By identifying deficiencies and areas for improvement, MVLP can improve its operations and proactively anticipate workload demands.

Accumulating data is necessary to establish a benchmark, quantify office performance, and measure performance progress. The MVLP Division is not accumulating data at all its offices that could be used for such purposes and therefore cannot identify deficiencies or areas of operations where improvements are needed. For example, there is no current emphasis on measuring or studying customer demand, wait times, or processing times at all of its offices. As a result, MVLP managers cannot anticipate problems and must rely on anecdotal information and subjective inputs when making management decisions or changing operations.

Data is available: Capturing data is possible. In the Ko'olau office, the pilot virtual queuing system (Nemo-Q) captured data that could be used to review, analyze, and improve customer service. The former MVLP administrator stopped reviewing, monitoring, and reporting queuing data after he determined the problems with the long lines were resolved. As a result, management did not proactively use the captured data to identify or assign optimal staffing, or provide adequate window coverage so that customer lines and wait times were kept to a minimum.

MVLP Could Reduce Waiting Times and Lines

Proper management of resources can result in better service, shorter lines, and minimal waiting times. During our audit, we found many opportunities for reducing customer lines and waiting times. More specifically, MVLP could reduce waiting times, lines, and complaints by:

- Applying queuing concepts to anticipate demand and improve window coverage and staffing;

- Accumulating quantitative data for analysis;

- Providing better public information; improving office facilities; and filling existing vacancies; and

- Adopting CSD Satellite City Hall Division attitudes, policies and practices pertaining to customer services.

MVLP Was Opposed to Queuing and Other Initiatives

Queuing concepts, systems and applications allow managers to optimize the use of MVLP resources and maximize customer service. Queuing quantifies the number of staff and service windows that must be available during anticipated periods of the work day and is based on the number of customers that are expected. The queuing system uses accumulated data that the MVLP office has collected and is a quantitative analysis of the collected data and workload statistics.

For example, the data collected by the queuing system can be used to analyze customer wait times, transaction processing, and the number of staff and windows needed to attain specific wait times or line lengths. The data accumulated for analysis can include customer arrival patterns, average transaction times, and average number of service windows open by hour. Users can use the data to create reports and assess average wait times for a specific time period.

The system queuing simulation software can quantify the specific number of service windows and number of staff that need to be assigned to attain specific time goals, potential line lengths, or target wait times by changing variables such as the number of service windows, customers, and transaction times. The queuing software can also be used to justify budgets, plan staffing needs, and improve transaction processing or customer service.

MVLP administrator did not support initiatives such as queuing

Initiatives for reducing lines and waits were introduced, but not supported by the former MVLP administrator.

Pilot program: The former MVLP administrator leased a virtual queuing system to demonstrate virtual queuing services at driver licensing offices. This was done without the approval of the department director who ultimately accepted the system and decided to implement it at the Ko'olau driver license office. The former MVLP administrator reported the Ko'olau office was not the best site to run the pilot program. Despite his reservations, the CSD and MVLP managers and staff considered the pilot

program successful because applicants were comfortably seated and were rarely complaining.

Although the system had the capability to assess processing times, customer waits, and other performance data, the former MVLP administrator decided not to continue reviewing and analyzing the reports because the report monitoring was considered time consuming.[2]

Staffing initiative: MVLP annually contracts for temporary driver license examiners during the summer and winter school breaks to meet additional demand for driver licensing services. The CSD director arranged with the police department for retired police officers to provide temporary driver license examiner services and to reduce the two to four months wait list for driver tests. MVLP did not accept any of these temporary workers and reported they were unnecessary.

Document review: Document review desks, employee walk-throughs, and check-in desks were used to minimize the wait times for unprepared customers and to reduce lines. Location supervisors and staff stated the document review or check-ins identified applicants who were not prepared to be processed and eliminated unnecessary waits.[3] This initiative is now performed only as staff is available or as needed at locations other than City Square and Ko'olau.

Queuing systems could improve window coverage and staffing

Good customer service requires MVLP offices to have adequate staff and service windows available to handle customer needs.

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[2] In November 2013, CSD implemented the new Aloha-Q virtual queuing system at the Pearlridge satellite city hall. Its functions, data collection, and performance data reports are similar to the Ko'olau Nemo-Q virtual queuing system. Both systems collect data, and allow analysis of the waiting and processing times. MVLP claims this system is inappropriate for its needs because it only allows for single rather than multi-phase processing.

[3] Unfortunately, document reviews can also result in additional waiting and processing times. Our observations confirmed the document review/check-in desks actually increased customer waiting and processing times. For example, during high demand at the Ko'olau MVLP office, document reviews increased waiting times by an average 13.4 minutes and added 1 to 44 minutes to the customer waiting time.

Insufficient staff or too few open service windows can result in long customer lines, lengthy waits, and customer complaints. Optimizing the use of resources, staff, and service windows is important if staffing shortages, vacancies, or budget cuts exist.

Staffing: MVLP managers and staff reported disagreements existed between CSD leaders and the MVLP Division about how to staff and cover service windows. The disagreements concerned the use of part-time staff for some functions; whether to accept the transfer of nine authorized, state reimbursed positions from the State of Hawai'i; and whether additional staff was necessary for MVLP operations.

MVLP managers also reported hiring freezes over the recent years prevented MVLP managers from replacing staff lost to retirements, transfers, and normal attrition. Budget cuts caused the loss of other positions.

The staffing shortages affected operations at all the MVLP driver license offices and the number of services windows that were open to handle customers. MVLP compensated for the staff shortages by rotating employees among the offices and by temporarily assigning employees from large offices to offices with insufficient staff. The impacts of the staffing shortages are illustrated below:

- MVLP provides driver licensing, state identification cards, and other services at the **Wai'anae** driver license office, which has no permanent staff, by assigning one driver license examiner from Wahiawa, one driver license examiner from Kapolei, and two clerks from City Square two days a week to staff the operations at that office. The four temporary assignments reduce the number of staff and the capacity to service customers at the Wahiawa, Kapolei, and City Square offices.

Exhibit 3.2
Photo of Waiʻanae MVLP Office

Source: Office of the City Auditor photo

- At the **Wahiawa** MVLP office, MVLP managers stated one licensing examiner is on loan from City Square to cover an examiner shortage due to two retirements. We observed that this loaned examiner is subsequently loaned to Waiʻanae for two days a week. The supervisor regularly covers the service window, cashier position, and conducts road tests due to the staffing shortages. We observed that limited staff on any given day resulted in fewer driver licensing road tests, slower processing times, and longer lines and waits.

  On a different visit, we observed that **Wahiawa** had two clerks absent because of leave. The supervisor was again covering the service window, cashier position, and conducting road tests due to the staffing shortages. Driver license examiners were used to cover the service windows, and individual waits that day were exceeding one hour.

37

Exhibit 3.3
Photo of Line at Wahiawa MVLP Office

Source: Office of the City Auditor photo

- **Koʻolau** had only two licensing clerks. The supervisor often had to fill in where needed - at the processing window, cashier window, or document review desk.

Exhibit 3.4
Photo of Line at Koʻolau MVLP Office

Source: Office of the City Auditor photo

- We observed **Kapolei** during a staff shortage day. The supervisor and one clerk were on leave, and one examiner was at Wai'anae. For this day, individual waits were exceeding one hour.

Exhibit 3.5
Photo of Line at Kapolei MVLP Office

Source: Office of the City Auditor photo

- We observed two days where **City Square** had a staff shortage in the cashiering function. One of the usual staff was on leave, and the replacement employee appeared unfamiliar with the cashier operations. Processing times and waits increased. During our observation period, customer waits for cashier processing were exceeding 30 minutes, and some waits were nearly one hour. Normally this function is completed in 3 to 5 minutes.

Exhibit 3.6
Photo of Line at MVLP City Square Office

Source: Office of the City Auditor photo

Windows: Window coverage during peak demand periods has a substantial impact on customer waits. As customers arrive at a location, there can only be a certain number that can be serviced during a period of time. This ability to service customers is referred to as the service capacity of the location. If the number of customers that can be served in a time period is less than the customers arriving, the waiting line grows and leads to a situation where demand cannot be handled.

The number of customer service windows available, particularly during peak demand periods, therefore, can have a substantial impact on individual customer waits. Staffing levels also impact the number of windows that can be opened as the above examples illustrate.

We believe that, if queuing concepts were applied, MVLP managers and staff could use the queuing software and system to quickly calculate how many staff and windows would be needed at each office. On the days that surplus staff is available, MVLP could assign the extra staff to offices such as Wai'anae and Wahiawa. If location, staffing, and service factors were properly

analyzed, MVLP would have a basis to request funds for increasing the number of windows or staffing in its offices.

Queuing concept and system rejected by MVLP

Optimizing the use of city resources and staff is efficient and economical when staffing shortages and budget cuts occur. Limited implementation of new ideas to provide customer service can result in customer complaints.

Except for the pilot test at the Ko'olau office, the MVLP has not used queuing systems. His philosophy was to *learn from someone else* and to learn from the success and failures of other jurisdictions. As a result, MVLP office staff were unable to service enough customer windows and unable to provide high quality services to customers.

Negative inputs from officials in other jurisdictions affected the former MVLP administrator opinions. For example, the other jurisdictions provided negative reports regarding queuing; notifications by mobile phones, text messaging, and e-mail; and operations, fairness, and complaints. After receiving the negative reports, the former MVLP administrator reported he was reluctant to implement such measures and the measures were not worth implementing.

Quantitative Data for Analysis Could Improve MVLP Operations

Queuing systems require quantitative data to calculate adequate, versus excess, service capacity. If data is accumulated and analyzed, queuing computations can improve customer lines and waits by quantifying such items as average customer wait time; how long it takes to conduct transactions; how many service windows are needed or available[4]; and how many customers arrive per time period for service.

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[4] MVLP resources and staff scheduling could be optimized, based on customer demand, by quantifying the number of additional service windows that need to be staffed when high volumes of customers arrive and the number of windows that do not need to be staffed when the customer volume declines. The calculations can also be used to quantify the number of windows and staff for minimum service needed at a location when employees are sick or take leave.

Management can also simulate the effect on wait time by changes in service level or customer demand. For example, the quantitative data provides MVLP information that can project, based on demand for services, the number of staff and windows needed to service customers throughout the day, week, or month. The data can also be used to quantify performance goals, performance measures, and the resources needed to provide high quality service.

In order to reduce customer lines and waits, MVLP managers will need data for the queuing systems used, including the Ko'olau and the Pearlridge Satellite City Hall systems. MVLP managers were not accumulating quantitative data for the queuing system and stopped analyzing data from the Ko'olau queuing system after the former MVLP administrator terminated the data reviews. As a consequence, the MVLP office could not analyze or project customer demand for services, and was unable to form a basis for making decisions regarding how to improve performance.

Currently, the management of daily customer demand for processing services is reactive, as is the allocating of staff to meet regular and extraordinary demand for services. Although the MVLP policy is to prioritize window coverage during high demand, it is inconsistently applied because MVLP managers do not have quantitative data to evaluate or adjust its overall or local office operations. Without quantitative data, MVLP cannot develop a systematic approach to identifying the causes of long wait times and lines. Without quantitative data, the additional federal Real ID requirements for identity verification, document review, and processing for driver licenses and state identifications will continue to overwhelm the MVLP offices.

Better Public Information Could Reduce Lines

Due to increasing demand nationwide and increased processing times, many jurisdictions attempted to provide customer-centered public information that the customer could use to determine when to go to an office, and to anticipate the wait times and line lengths. If done properly, public information could result in high customer satisfaction ratings. Conveying public information effectively should therefore be an important customer service function for the MVLP.

Our review of the MVLP database showed that nearly 74 percent of the customer concerns and questions received between January

2010 and November 2013 related to public information. The public information questions included:

- Questions about operations such as location hours, address, and phone numbers.

- Questions about the driver license or state identification process.

- Legal presence requirements.

- Complaints about not reaching divisions by telephone to ask questions or to express concerns.

Our survey of MVLP customers revealed that:

- 86% of customers selected locations to be serviced based on their proximity.

- 71% stated a wait of 30 minutes or less for servicing was acceptable.

- 63% reported their transaction was completed within 30 minutes to one hour, including waiting.

- 20% reported their transaction was completed in one to two hours.

- 17% stated their transaction and wait time totaled more than two hours.

- 28% were returning customers, who could not complete their transaction on their first visit.

- About one-third of the respondents used the CSD department website.

- About one-third used information from other sources put out by the city (e.g., TheBus and the Satellite City Hall Division).

Our survey provided quantitative data on customer satisfaction and preferences. MVLP does not have comparable data because it does not survey customers. MVLP also does not issue customer-centered advisories; and does not focus on using public information to help customers anticipate wait times or line

lengths. MVLP does not accumulate data needed to identify customer needs, customer expectations, or information on what would satisfy customers. MVLP therefore missed opportunities to improve operations and to be more responsive to customer needs and concerns.

Webcams and webpages: Maui County provides updated information on its webpage on location wait times, number of customers waiting in line, and even locations closed due to equipment failure. Another jurisdiction, the Delaware Division of Motor Vehicles, actually had a webpage entitled *How to Minimize Your Wait*, which provided tips on preparing for a visit, high demand periods for the offices, advice not to wait until the last minute, and which online services were available.

Neither the CSD nor the MVLP Division webpages provided information on wait times, number of people in line, reliable web camera images, or other information customers could use to determine when and where to go for their transactions. CSD and MVLP web cameras provided videos of lines at various locations, and were supposed to help customers decide when and which office to visit. We did not find that customers consulted webcams prior to their arrival at a location. Customers relied on word of mouth to decide which location to visit. We also found MVLP webcams were not reliable. For example:

- The Wahiawa and Wai'anae cameras may not show the entire line. There are portions of the line which are not viewable, ahead and behind the camera spot. As a result, at Wahiawa, 8-15 people ahead of the camera spot in the building are not in the camera view. Long lines at Wahiawa and Wai'anae can also extend behind the camera spot.

- At City Square, the camera view did not show the three separate lines for driver licenses, state identification services, and cashier lines.

As a result of the discussion of our preliminary findings, the MVLP has placed written advisories on its webcam, state identification, and driver license webpages about avoiding crowds and usual busy times at its driver license offices. Improvements are, however, still possible.

Improved Office Facilities are Needed

City facilities should be adequate to service the public's needs. Physical limitations at some of the driver license offices limited the ability of the MVLP Division to meet customer demands for services. For instance, at the following MVLP locations:

- **Wai'anae.** This driver license office is located in the Wai'anae Neighborhood Community Center, and is open only Mondays and Wednesdays. It has two service windows and the equipment is shared between two clerks and two driver license examiners. The limited number of service windows impacted the waits for service at this location, particularly during high customer demand. MVLP managers stated this location was not an operational priority.

- **Wahiawa.** This driver license office is located in a small room in the Wahiawa police substation. It has limited space and has two shared service windows and a cashier position. Equipment is shared between four clerks and three driver license examiners. It had the third highest transaction volume six of the past seven years, but has limited space and service windows.

- **Kapolei**. This driver license office is located adjacent to the Kapolei Hale Satellite City Hall. It has three service windows and a cashier position. It processes 18 percent to 24 percent of all driver license transactions, and is second highest in transaction volume. The Satellite City Hall Division moved out of shared space with MVLP in November 2013 to provide more space for the driver license office. As of June 2014, the three additional service windows had not been configured for MVLP operations and are unmanned. The limited number of service windows caused lengthy waits, particularly during peak periods. During our audit, it was not uncommon to see 20-30 people waiting to be serviced by one of the three service windows, and individual wait times of over one hour.

The MVLP Division faces some unique issues regarding its offices.

- The CSD director stated she was unwilling to make improvements to leased spaces such as City Square because the lease was expiring. Although City Square is the busiest MVLP location in numbers of driver licenses

and state identification card transactions, the CSD director stated there are no plans to improve the City Square office.

• All of the MVLP driver license offices will have new physical security requirements to secure and harden its locations. This may not be possible for leased spaces if the lease agreement places limits on any modifications.

The MVLP division subsequently commented that it *"does not have the power or authority to determine or dictate where office should or should not be located. In times of tight budgets, centralized operations are the most cost effective."* Using the Wahiawa location as an example, it is owned by Honolulu Police Department and is offered rent free to CSD, but there is no additional space available for expansion. Space limitations and Americans with Disabilities Act (ADA) requirements prevent expansion in the existing location.

Filling Vacancies Could Reduce Lines and Waits

To minimize customer wait times and lines, sufficient staff must be available to service the customers. MVLP staffing shortages and vacancies total over 25 percent of its authorized staffing. MVLP staff are shuffled around to different MVLP offices to cover operational needs. The exhibit below shows the 22 vacancies by MVLP location.

Exhibit 3.7
MVLP Driver License Staffing Authorized and Filled[5]

Location	Driver License Examiner		Driver License Clerk		Clerk	
	Authorized	Filled	Authorized	Filled	Authorized	Filled
City Square	15	12	19	16	17	11
Kapolei	8	6	3	3	1	1
Ko'olau	5	4	4	3	0	0
Wahiawa	4	3	4	4	1	0
Wai'anae	2	0	1	0	2	1
Total FTE	34	25	31	26	21	13

Source: Office of the City Auditor

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[5] Vacancies total 22 FTE (9 driver license examiners, 5 driver license clerks, and 8 clerks)

MVLP processing for driver licenses require at least three different persons. The three positions include a driver license examiner, driver license clerk, and clerk. Driver license examiners administer the written and driver test, collect fees and issue the driver licenses and permits. The driver license clerk performs the clerical tasks related to the processing of driver licenses and permits, processes applications and reviews documents. The clerk position is used as an entry-level position for related clerical tasks, and to train driver licensing clerks. The driver license clerk and clerk positions also process state identification cards.

The former MVLP administrator indicated hiring freezes, staff attrition, and the increased workload from the state identification card program impacted the MVLP Division's ability to staff and service the public. The vacancies increased the pressure on the existing staff and the MVLP ability to shorten customer lines and waiting times. MVLP management subsequently claimed that in December 2012, the executive branch operating budget guidelines were not timely, were confusing, and prevented the MVLP Division from filling vacant positions.

During our visits to each MVLP office, we confirmed the impact of the staffing shortages. On short staff days for driver license clerks, we observed longer processing times, fewer service windows were staffed, or less experienced staff covering the duties of absent staff. More specifically, our notes show:

- **Kapolei**. On Monday and Wednesday, one of the driver licensing examiners is temporarily assigned to cover the Wai'anae driver license office. The location supervisor and driver licensing examiners must cover windows to meet customer demand. As a result, on short staff days, there are fewer driver tests, extended waiting periods for applicants to be processed, and waiting times can increase from 30 minutes to one to two hours at this location.

- **Ko'olau**. One clerk is on extended leave and the supervisor has to fill-in to process, cashier, or review documents. Two clerks are often needed from City Square to provide coverage.

- **Wai'anae**. This location has no permanent staff. All the staff are temporarily assigned from other offices to work at this office on Mondays and Wednesdays. Two are in the process of being trained to perform the licensing clerk functions. The temporary staff come from the offices

located at City Square (two clerks); or Kapolei and Wahiawa (one examiner each).

- **City Square**. On Monday and Wednesday, two of the clerks are temporarily assigned to cover the Wai'anae driver license office. One of the driver license examiners is temporarily assigned to Ko`olau and one is temporarily assigned to Wahiawa. There is consequently four fewer staff to service the daily customer demands.

Once the MVLP Division is authorized to fill a vacancy, according to MVLP representatives, it may take 8 to 12 months to properly staff the position. The selection and hiring process takes three to six months, training the candidate takes five to six months, and retaining the employee is challenging due to the low pay. As a result, servicing capacities and service levels are difficult to maintain, particularly during peak demand periods.

Vacancies have existed for many years. Before September 2012, no new staff were hired. After September 2012, eleven clerks were hired. More specifically:

- No driver license examiner positions have been hired since 2009. Six of the nine vacancies have been vacant for over one year, with three vacant for over five years.

- Eleven clerks were hired after September 2012. Three of which were state identifications transfer positions hired in January 2013. Two others were hired to fill clerk positions allocated from the state after May 2013.

- Wai'anae has no permanent driver license examiners, and two clerk positions were hired within the past year, but only one currently remains on staff. The remaining three positions to fully staff Wai'anae have been deactivated. Operating this location requires temporary staffing of three positions from other locations.

Based on our analysis of the MVLP training, the division could fill many of these vacancies faster by revising its training program. For instance, the MVLP classroom provides training in processing the various MVLP transactions, legal requirements, federal Real ID requirements, and fraudulent document recognition training. The on-the-job training component is done under a supervisor, using a shadowing method where new staff will observe transactions, and evolves into giving the employee limited live processing both under supervision, and solo processing of certain

basic transactions. The training is to fully train new employees and make them proficient in all MVLP transactions although the administrative tasks may not exist at their assigned MVLP offices. By adapting the on-the-job training to the specific office assignments, we believe new employees can be trained faster and released to their MVLP office assignments faster.

MVLP Needs to Adopt CSD Satellite City Hall Division Attitudes, Practices and Processes Related to Customer Service

Unlike the MVLP Division, the CSD Satellite City Hall Division is proactive and customer service oriented. For example: The Satellite City Hall Division:

- Anticipates high demand periods for window service by increasing staffing, adjusting coverage and applying part-time staffing. These are typical best practices for customer servicing that the MVLP Division does not currently use.

- Attempts to meet high demand periods for window service by requesting more staffing and creating more service windows, adjusting window coverage to meet customer demand, and applying part-time staffing. Since customer arrivals vary during the day, the Satellite City Hall Division will supplement full-time staff, open more service windows when needed, allow location supervisors to operate service windows, and use part-time staff to cover windows. During peak times like the lunch break period or during known high customer demand times, they will add more staff or add service windows to meet the demand. The flexible use of staff during peak times and use of part-time staff avoids excess staff capacity during the slow times. Our observations confirmed that this was their operating style, and it was highly effective in reducing lines and waits.

- The Satellite City Hall Division makes an effort to provide customer-centered advisories on its webpage. It also attempts to provide general customer-centered information on its webpage. The webpage tells customers to pre-fill applications, prepare their necessary documentation, and use online services for payments. Basic information is posted regarding the busy periods or busy days. The webpage objective is to improve customer service by helping the customer select which location and hours are best for them; when to avoid times when lines and waits are likely to be longer; and other time saving

suggestions. Although it is very brief in content, the intention is to minimize the wait times for customers.

We believe the MVLP Division could operate more efficiently and more effectively by emulating the Satellite City Hall Division practices and policies related to customer services. By proactively addressing and resolving staffing and capacity deficiencies, MVLP could also reduce customer complaints, lines, waits, and increase customer satisfaction ratings. However, the MVLP Division management contend that such best practices for customer service were not applicable to MVLP operations because the Satellite City Hall Division transactions were not comparable, took under two minutes to process, and consisted of taking a payment and issuing a receipt.

Improvements Are Unlikely Because CSD Lacks Control Over MVLP

In well run organizations, component units and staff will follow the directions of the department director and implement the initiatives established by the organization's top level executives. Although the CSD director and the Office of the Mayor announced several customer services initiatives to respond to long lines and lengthy customer waits in early 2013, the MVLP Division objected to the initiatives and did not fully implement the projects. As a result, the projects did not resolve the customer complaints, long lines, or the long waits that precipitated the city council resolution. Unless better control is established over the MVLP, no assurance exists that the initiatives will continue or that the customer complaints will be resolved.

Department Directors Defer to MVLP Division Management

The Department of Customer Services directors historically deferred to the former MVLP Division administrator because of his long tenure, recognition as an expert in the field, and influence in developing the city's driver licensing enterprise, its methods, and priorities. This is not unusual given the skills necessary to administer this particular division's diverse requirements and responsibilities.

However, we found that over time the former administrator retained information and knowledge individually, leading to a situation where the administrator became the single indispensable source of information about much of the programs, its operations, and processes. The division became dependent upon an individual rather than the position and led to an insular mindset within the division that was responsive only to the administrator.

The CSD departmental directors' deference to the administrator meant that departmental initiatives such as improvements to customer services were only implemented to the extent that the administrator accepted the initiatives.

Efforts to Increase Customer Service Reveal Discontinuity and Lack of Control

In the face of increasing customer demand, waiting times, and customer complaints last year, the Office of the Mayor and CSD management initiated corrective actions that required the MVLP Division to strike a balance between operational and customer needs; to be more responsive to customers, and to quickly address known customer service and customer experience issues. For example:

- *Hotline:* An emergency hotline, 768-CITY, was established in the first week of January 2013 so that a live person would answer the public calls for help. A crew of intake workers manned these calls the entire day until the initial uproar died down. The hotline was closed in the first month. According to the CSD director, the line handled hundreds of calls a day.

- *Cameras:* Based on the camera deficiencies reported during the audit, MVLP reported it repositioned the cameras to show the entire lines in the MVLP offices. MVLP reports the cameras installed in its five driver license offices are currently working and allows the public to view the MVLP offices and lines in real time so the public can decide for themselves when is the best time to go to MVLP offices.

The initiatives involved adjusting MVLP operations, increasing staffing, and easing customer waits. The CSD Director stated that some of the CSD and Office of the Mayor initiatives occurred despite the objections and lack of support by the former MVLP administrator. The CSD director claimed the initiatives could have been more successfully implemented with the full cooperation of the MVLP Division management.

In subsequent discussions with and comments from the CSD Director and MVLP Division assistant administrator, we found examples of continued differences regarding the lack of control over the administration of the MVLP Division. For instance:

- *Queuing:* Queuing systems were installed at the Ko'olau MVLP office in January of 2013 and one at the Pearlridge

Satellite City Hall in November of 2013. Both were highly effective, much praised by the public, and are still in operation. Three more systems were included in the CSD fiscal year 2014-2015 budget and will be installed in the next few months.

The MVLP Division assistant administrator reported that it had no further plans to implement the Ko'olau or the Pearlridge pilot queuing systems at other MVLP driver license office locations. The MVLP assistant administrator reported that monitoring the Ko`olau queuing reports was not useful, so the practice was discontinued. The MVLP assistant administrator stated that the Department of Information Technology (DIT) offered a comparable queuing system, but the system requirements and specifications were undefined. MVLP could not provide any documents to support its DIT discussions, the scope of work, the system specifications or the requirements for the proposed queuing system. As a result, CSD has no assurance the queuing systems it plans to purchase will be installed in the MVLP offices.

- *Document review:* Triage document checkers were brought on board as emergency contract hires in March 2013. The document review service continues regularly only at the Ko'olau and City Square MVLP offices. At the remaining three MVLP offices, we found that document review was provided as staff was available by full-time permanent employees. As a result of the audit discussions, MVLP managers and staff reported renewed efforts to provide document reviews at all the MVLP offices on a regular, recurring basis. CSD has no assurance the document review service will continue.

- *On-line guide:* An on-line document guide was developed and made available on the CSD website to help people make sense of the new federal requirements. It was down in July 2014 for an upgrade with the start of the new fiscal year. The MVLP Division confirmed that the document guide was implemented without its approval or knowledge and contained errors. The MVLP assistant administrator stated the Department of Information Technology failed to properly service MVLP, so the problems and shortcomings related to the guidelines posted on the CSD website are currently unresolved. CSD cannot ensure the guide information will have correct information.

- *Lines:* Separate lines for state identification cards and driver licenses were implemented at City Square despite the arguments against it by MVLP managers. MVLP Division managers believed a single first-come, first-served line for both services was most fair and appropriate to process customers. The division was asked to try it for at least one year. The single service line was reinstated in June 2014 after the site manager reported the lines were problematic and not helpful.

Based on comments received to our draft report, there are still significant differences of opinion between the CSD administration and the MVLP managers regarding MVLP priorities, initiatives, operations, practices, and policies. The differences also concern how to improve division processes. The operational impact of the differences is reflected in the following example:

- *New office:* The Pearl Harbor Vehicle Registration Office was opened in April 2014 and has been highly successful in the number of military and civilians serviced. According to the CSD Director, the office helped decrease demand at surrounding satellite offices and the service may be expanded if money can be found for additional staff. We found this office was assigned to the Satellite City Hall Division although it provides MVLP Division services only.

In effectively run organizations, the director establishes initiatives and performance objectives, and component units and staff follow administrative direction and implement the initiatives to meet the established objectives. There is also feedback and reporting from the component units to the administration that is used to evaluate program and performance results.

In our opinion, better management control and direction are required if the CSD department and the city are to re-establish direct administrative control over the MVLP Division. Absent any control, the city has no assurance the MVLP Division will follow direction or conform to operational priorities. No assurance exists that the city administration or department initiatives for improving customer service will continue, be implemented as intended, or will be resolved as intended.

Recommendations

The Managing Director should ensure that:

6. CSD and MVLP managers are more proactive in reducing customer waiting times and lines, and take steps to improve the customer experience in the queue lines.

7. CSD and MVLP implement queuing systems and techniques that will reduce customer waiting times and lines; improve window service and staffing; and optimize the availability and use of MVLP staff and window resources.

8. CSD and MVLP accumulate data needed by the queuing systems and use the collected data to determine how MVLP resources should be assigned to maximize the services provided to residents while simultaneously reducing customer wait times, customer lines, and minimize customer inconvenience while waiting for MVLP services.

9. CSD and MVLP provide more complete and accurate public information so residents can better prepare for transactions and anticipate MVLP services and processes.

10. CSD and MVLP proactively anticipate customer demand and improve MVLP facilities to better service customers while reducing customer waiting times, lines, and inconvenience.

11. As funds are available, CSD and MVLP fill existing vacancies.

12. CSD require MVLP to adopt CSD Satellite City Hall Division attitudes, practices, and processes related to customer service.

13. CSD evaluate the most effective organization to deliver MVLP Division services, and, as appropriate, consider merging the MVLP Division under the oversight of the Satellite City Hall Division.

Chapter 4
Conclusions and Recommendations

The Customer Services Department (CSD) is responsible for providing motor vehicle, licensing and learner permits, and State of Hawai'i identification card services to the residents of the City and County of Honolulu. These services are provided through its Motor Vehicle, Licensing and Permits (MVLP) Division at five[1] full service driver licensing offices throughout the city.

Many residents of Honolulu who deal directly with the MVLP Division in the Customer Services Department will form their opinions about city government operations based on the efficiency and effectiveness of their experience with MVLP. The Customer Services Department and MVLP must therefore provide the highest quality of service to the public, whether the interaction is in person, on the phone, or electronically.

Customer Service: If a resident experiences long waits or long lines at the driver license offices, the resident's perception of city operations could be negative. We found that the MVLP Division management and staff were not customer oriented and therefore unconcerned about providing high quality customer service to the public. The inability of CSD managers to provide oversight or direction to a former MVLP administrator affected driver licensing office operations. We found the MVLP priorities did not include customer service as a goal and did not consider customer service as a priority. As a result, driver licensing operations, processes, and services were not focused on minimizing resident waits and the long lines encountered by residents at MVLP offices. The MVLP staff and the former administrator's emphasis on correct processing of documents contributed to the public complaints. The lengthy processing or long waiting times were not a concern for MVLP division managers. MVLP managers' lack of concern for customer service resulted in limited implementation of new ideas introduced or suggested for improving MVLP services and operations.

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[1] CSD has five MVLP Division offices, nine Satellite City Hall Division offices, and one service center in the city. Although four of the five MVLP offices are located at the same location as satellite city halls, the offices are considered separate. The audit addresses the five MVLP Division office operations.

By deferring to the former MVLP administrator, MVLP managers and staff facilitated the lack of communications between CSD department managers and MVLP managers and staff. The resulting isolation and the former MVLP administrator's resistance to change and resistance to directions from CSD superiors adversely affected customer service, processing objectives, and operational priorities.

State of Hawai'i identification cards: The MVLP Division effectively implemented State of Hawai'i Act 310 and federal REAL ID requirements, and was certified by the Department of Homeland Security. The new program required residents to show up in-person for the processing; required specific documents for verification and proof of identity; and increased processing times for MVLP customers.

Unfortunately, MVLP failed to address customer services issues related to the increased documentation and processing requirements. Consequently, when the MVLP Division assumed the state identification card program in January 2013, the division was inadequately prepared for the delays and lengthy processing related to the program. As a result, residents experienced long lines and long waits at MVLP offices and the city council received many public complaints. The public perceptions of the MVLP services and operations were that city operations were inefficient and ineffective.

Although the city council approved the administration's request to add nine new positions, $117,624 in salaries, and $106,000 in current expenses for the Customer Services Department to cover the state identification functions, the MVLP Division did not accept all the State of Hawai'i transfers related to the state identification card program. The MVLP managers underestimated the personnel and other resources needed to support the state identification services. MVLP managers also did not adjust or increase the personnel and other resources needed to handle the increased demands related to the state identification card program and the federal REAL ID requirements.

Waiting times and long lines: MVLP management needs to be more proactive (versus reactive) in addressing daily demand; needs to study and evaluate customer processing demands; collect quantitative (versus qualitative) data related to customer processing requirements; cease assuming adverse conditions are temporary; and plan for satisfying customer service needs. Changes to processes should address underlying issues; should be

consistently applied among the driver license offices; and should be planned to shorten customer lines and waiting times.

Although a recent pilot project (virtual queuing) collected data, the data were not analyzed and used to improve driver licensing and State of Hawai'i identification card processes. Data needed for benchmarking and developing performance goals were not collected because MVLP managers considered the data unnecessary and unimportant as customer lines and complaints seemed to be diminishing. As a result, MVLP managers lacked the ability to objectively and quantitatively evaluate its operations and any service demands.

Wait times can vary widely based on location; time of the month; or time of day. Customers cannot anticipate wait times and long lines because public information is not available; webcams gave an incomplete picture of the processing times; and public information advisories are not customer-centered and do not provide information on high demand periods, service levels, or current waiting times. Physical location, design, available space, and physical arrangements also affect the number of service windows available and impact customer wait times and lines. MVLP managers must more proactively adjust window coverage and staffing levels to reduce customer waiting times and lines.

In contrast, the CSD Satellite City Hall Division makes every effort to provide customer-centered advisories on its webpage. It also anticipates high demand periods for window service by increasing staffing, adjusting coverage and applying part-time staffing. These are typical best practices for customer servicing that the MVLP Division does not currently use.

Recommendations

The Director of the Customer Services Department should ensure that:

1. The MVLP Division develops processes and practices that are consistent with the CSD mission statement and goals. The MVLP processes and practices should focus on providing efficient, effective, and practical customer services that are consistent with CSD and customer service best practices used by others.

2. CSD and MVLP coordinate the implementation of new customer services initiatives and CSD should follow-up to

ensure the initiatives are fully implemented and are improving customer service in the MVLP Division.

3. CSD and MVLP managers develop continuous in-house customer service training on-the-job and in the classroom. MVLP customer service training should focus on reducing customer lines, waiting times, and better managing customer waiting times.

4. CSD and MVLP develop quantifiable customer performance goals related to items such as customer wait times, customer satisfaction surveys scores, and number of customer complaints received. CSD should monitor MVLP progress in attaining these performance goals.

5. If State of Hawai'i resources for the state identification card program are still available, CSD and the MVLP Division should request and accept all the state resources offered.

The Managing Director should ensure that:

6. CSD and MVLP managers are more proactive in reducing customer waiting times and lines, and take steps to improve the customer experience in the queue lines.

7. CSD and MVLP implement queuing systems and techniques that will reduce customer waiting times and lines; improve window service and staffing; and optimize the availability and use of MVLP staff and window resources.

8. CSD and MVLP accumulate data needed by the queuing systems and use the collected data to determine how MVLP resources should be assigned to maximize the services provided to residents while simultaneously reducing customer wait times, customer lines, and minimize customer inconvenience while waiting for MVLP services.

9. CSD and MVLP provide more complete and accurate public information so residents can better prepare for transactions and anticipate MVLP services and processes.

10. CSD and MVLP proactively anticipate customer demand and improve MVLP facilities to better service customers while reducing customer waiting times, lines, and inconvenience.

11. As funds are available, CSD and MVLP fill existing vacancies.

12. CSD require MVLP to adopt CSD Satellite City Hall Division attitudes, practices, and processes related to customer service.

13. CSD evaluate the most effective organization to deliver MVLP Division services, and, as appropriate, consider merging the MVLP Division under the oversight of the Satellite City Hall Division.

Management Response

The Department of Customer Services comments are responsive to the audit recommendations. The CSD Administration agreed with most of the recommendations, and disagreed with our recommendation that it consider merging the MVLP Division under the oversight of the Satellite City Hall Division. According to the CSD Administration, both divisions have varied functions. However, it agreed that both divisions should move in the same direction in terms of customer service. A copy of the actual management response can be found on page 60. Nominal changes and edits were made to this report to enhance the report format and to better communicate the audit results.

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MAYOR

SHERI T. KAJIWARA
DIRECTOR

August 22, 2014

Mr. Edwin S. W. Young
City Auditor
Office of the City Auditor
1001 Kamokila Boulevard, Suite 216
Kapolei, Hawaii 96707

Dear Mr. Young:

The CSD Administration finds value in this audit with the independent assessment of our Division of Motor Vehicle, Licensing, and Permitting (DMVLP). We would like to point out that prior to this resolution's adoption by the Council, and well before its completion, measures were underway to assess areas of concern, and implementation had already begun on multiple initiatives to improve operations. A brief recap of the past 18 months follows:

1) January, 2013. An emergency hotline, 768-CITY, was established in the first week of the City assuming the State ID program. A crew of intake workers manned the hotline full time offering the public a live person to address their needs. The hotline responded to a few hundred calls within the first days of operation.

2) January, 2013. Funds for emergency contracts were approved, staff was hired and trained to assist the public as document checkers. These help desks continue to operate at all sites, but are now manned by full time permanent employees. The help desk is open only when a line exists. The window clerks can also assist with documentation information.

3) An initiative to install cameras at all five DL sites was implemented. DMVLP provides a webpage that shows the customer service line with a real time camera at each of the driver license offices. This allows customers the opportunity to decide whether or not to travel to any given driver license office. http://www3.honolulu.gov/csddlline/

Mr. Edwin S. W. Young
August 22, 2014
Page 2

4)   In June, 2013, a one-year trial was implemented to separate the regular
        DL services from the new State ID services. Due to ADA requirements,
        maintaining two separate lines could only be achieved at the City Square
        location. After feedback from managers that it actually caused more
        complaints, this was discontinued in June 2014.

5)   An online document guide was developed and made available on the CSD
        website to assist people in understanding the new federal requirements.
        With new document requirements announced by the State in May to now
        include permanent residence documents, the site is being updated to
        include these fields and will be back online soon.

6)   The City designed, printed, and distributed a tri-fold informational brochure
        on the new procedures for applying for a State ID card and explained the
        federally required documents.

7)   "Pull-a-number" systems were installed at the DL in Koolau in July of 2013
        and one at the SCH at Pearlridge in November of 2013. Both are highly
        effective systems and are still in operation today. Three more systems
        were worked into CSD's FY '15 budget and will be installed in the next few
        months.

8)   A complete study was done on the Kailua Satellite Hall and it was
        determined that resources could be better used to meet needs more
        equitably island-wide. All attempts to inform the public and address public
        concerns were made. The SCH was then closed on September 30, 2013.

9)   To better serve customers on the Windward side of the island, the
        Windward City Satellite opened services for driver license renewal and
        duplicates in June, 2013. Additional resources were provided to the
        community.

10)   An additional service center was opened at Pearl Harbor in April 2014 to
        offer motor vehicle registration services to both military and civilians on
        base. This was done to help ease the demand and wait time in our
        Central Oahu and Leeward facilities, the areas of growing demand.

While the last three initiatives (8-10) are under the management of Satellite City
Halls, these efforts benefited DL offices by easing the lines and wait times at satellites
where the public could access renewal or duplicate driver license services. We feel that
the efforts noted above have made a marked improvement in the area of customer
service.

61

Mr. Edwin S. W. Young
August 22, 2014
Page 3

The Administration agrees that this audit report identified key areas of deficiencies in both meeting customer service expectations and in focusing on comfort measures within the DMVLP. We also agree that the City could have better prepared for the assumption of the State ID program in January of 2013, and did not correctly estimate the number of transactions our centers would increase by, nor prepare procedurally for this.

We respectfully point out that the audit report itself shows (Exhibit 3.1) that the analysis of wait time included a "no-wait time" of zero minutes. Demand is highly affected by season, period of the month, day of the week and time of day.

To the audit's request for a department response to the individual recommendations herein, our position on each is as follows:

1.   *The MVLP develops process and practices that are consistent with the CSD mission statement and goals. The MVLP processes and practices should focus on providing efficient, effective, and practical customer services that are consistent with CSD and customer services best practices used by others.*

CSD Administration concurs with this recommendation.

This will have no start or end date, but will be an ongoing effort ensuring that our department goals and objectives are always top-of-mind.

2.   *CSD and MVLP coordinate the implementation of new customer services initiatives and CSD should follow-up to ensure the initiatives are fully implemented and are improving customer service in the MVLP Division.*

CSD Administration concurs with this recommendation.

CSD is currently reviewing current practices and identifying areas that could use improvement. One area of concern, for example, relates to ROAD TESTS. We are reviewing the online reservations process for road tests and have already made initial changes to increase the number of appointments taken by the system. We are also studying the current work flow (i.e. appointment vs. walk-ins) and identifying potential changes that could help to maximize current staff efforts.

Other new customer service initiatives include seeking ways to offer more ON-LINE services rather than IN-LINE services. For example, we are exploring the possibility of offering driver license renewals and duplicates

Mr. Edwin S. W. Young
August 22, 2014
Page 4

online. However, these features will need to comply with all Federal Real ID Act requirements. CSD is also exploring the use of "kiosk-type" offerings that will accept credit card payments for services such as BWS water bills or car registration renewals.

3.   *CSD and MVLP managers develop continuous in-house customer service training on-the-job and in the classroom. MVLP customer service training should focus on reducing customer lines, wait times and better managing customer waiting times.*

CSD Administration concurs with this recommendation.

Training is recognized as an important aspect of a successful operation. CSD is currently assessing the areas of deficiencies and plan to implement a schedule of in-house training within the next three months. Training will include areas of skill and job knowledge in addition to general customer service training. Ensuring that operational knowledge is uniform and consistent among all employees, at all service centers, is a priority. Training will be ongoing and will keep all staff informed of federal updates and new mandates.

4.   *CSD and MVLP develop quantifiable customer performance goals related to items such as customer wait times, customer satisfaction surveys scores, and number of customer complaints received. CSD should monitor MVLP progress in attaining these goals.*

CSD Administration concurs with this recommendation.

Within the next three months, CSD will identify measurable goals related to improving customer service. Regular weekly performance and transaction reports have been requested and will be used to monitor productivity and measure benchmarked progress. CSD is considering implementing a customer service survey program, and, since March of 2014, have been producing monthly reports of complaint tracking by category with totals.

5.   *If State of Hawaii resources for the state identification card program are still available, CSD and the MVLP Division should request and accept all the state resources offered.*

CSD concurs to a degree.

Mr. Edwin S. W. Young
August 22, 2014
Page 5

The City is required to justify the requested number of positions needed to the State. The number of State ID transactions for the calendar year 2013 was 51,512 transactions. Further break down of the 51,512 total State ID transactions for the year (using 20 days per month and 6 hours of actual work) results in a total of four transactions for each of the nine State positions per hour. In March 2014, the DMVLP monthly cash collection report identified that 24.1% or 1,118 out of a total of 4,631 State IDs were for the issuing of a duplicate transaction. Duplicate transaction processing time is under 5 minutes. The transaction numbers do not justify the report's opinion that nine positions were needed. Should State resources be offered and positions can be justified, CSD will accept.

6.   *CSD and MVLP managers are more proactive in reducing customer waiting times and lines, and take steps to improve the customer experience in the queue lines.*

CSD Administration concurs with this recommendation.

CSD will implement the queue system next at Ala Moana and Kapolei. The vendor piloted system now at Koolau will be replaced with the City system designed at NO-COST to the taxpayer. The Department of Information Technology (DIT) is working to develop enhanced queuing features such as push-out notification 15 minutes before service time, and the ability to "get in line, on-line," (get issued your number while at home BEFORE coming to the facility). As a component of reducing wait-time, we are seeking ways to offer more ON-LINE services rather than IN-LINE services. For example, we are exploring the possibility of offering driver license renewals and duplicates online. These features will need to comply with all Federal Real ID Acts requirements. We are also exploring the use of "kiosk-type" offerings that will accept credit card payments for services such as bill payments or car registration renewals.

7.   *CSD and MVLP implement queuing systems and techniques that will reduce customer waiting times and lines; improve window service and staffing; and optimize the availability and use of MVLP staff and window resources.*

CSD concurs with the need to install queuing systems at more service locations, but it must be pointed out that while a queuing system offers customers an opportunity to take a number and wait comfortably in chairs, it does not REDUCE wait time, nor does it optimize staff resources. With both a "pull-a-number" or an online reservation system, less customers can be serviced in a specified period. Notifying customers of their turn

Mr. Edwin S. W. Young
August 22, 2014
Page 6

(calling a number three times before moving on), allowing movement time (to gather belongings and move toward the service window) and working in grace periods (allowing 5 minutes for late-shows) in addition to blocking off time for the longest possible transaction (i.e. 30-minute blocks per road test vs. 15-25 minutes possible time) all lead to less customers being serviced per day. Effective comfort measures require an increase in staffing, and thus a larger operational budget, to handle the same number of transactions per day.

Our goal is to find a working balance between offering the public significant comfort measures and maintaining efficiency levels.

This report's findings that the CSD Director was unwilling to make improvements within a leased facility is out of context. This comment referred only to the Dillingham Square site, where we are planning to vacate within the next few months. To spend taxpayer dollars to wire a facility, install monitors and speakers, build out a seating area, and reconfigure work stations while planning a move would be fiscally irresponsible.

8.   *CSDS and MVLP accumulate data needed by the queuing system and use the data to determine how MVLP resources should be assigned to maximize the services provided to residents while simultaneously reducing customer wait times, customer lines, and minimize customer inconvenience while waiting for MVLP services.*

CSD Administration concurs with this recommendation to a degree.

As the City queue system is installed into more service center locations, the back-end programming will be fine-tuned by DIT to gather transaction statistics and monitor service time. DIT will develop a system that will notify the client that their turn is approaching, or provide the ability to get a number while still at home. These additional offerings are targeted to be completed by the end of 2014.

9.   *CSD and MVLP provide more complete and accurate public information so residents can better prepare for transactions and anticipate MVLP services and processes.*

CSD Administration concurs with this recommendation.

Mr. Edwin S. W. Young
August 22, 2014
Page 7

MVLP is working with our Public Communications division to find ways to provide more public education opportunities to better inform and prepare the public in accomplishing these basic services. The department is:

- revising the on-line documentation guide;
- in the second print edition of our State ID/Driver License brochure;
- kicking-off the speaker's bureau with a presentation on documentation requirements to 300 seniors at Craigside Senior Living Center on September 24, 2014;
- in the planning stages to product 30-second info videos for on-line offering as well as monitor looping at our sites; and
- submitting informational articles for market specific periodicals such as senior or youth magazines, community flyers, organizational newsletters, etc.

10.   *CSD and MVLP proactively anticipate customer demand and improve MVLP facilities to better service customers while reducing customer waiting times, lines, and inconveniences.*

CSD Administration concurs with this recommendation and will implement as mentioned above.

11.   *As funds are available, CSD and MVLP fill existing vacancies.*

CSD Administration concurs with this recommendation.

We are working to fill all vacant funded positions. Six additional Road Test Examiners were recently hired as well as three additional summer seasonal hires (up to nine from the usual six seasonal), and we are in the interview process to fill nine clerk positions. Training requirements will be streamlined to get new hires into the worksites in a more timely manner.

12.   *CSD require MVLP to adopt CSD Satellite City Hall Division attitudes, practices, and processes related to customer service.*

CSD will require MVLP to conform to the department's mission statement, goals and attitudes relating to customer service, as the CSD's Satellite City Hall Division, Public Communications Division and Administration does.

Mr. Edwin S. W. Young
August 22, 2014
Page 8

It should be noted that in regard to the comparisons made between Driver Licensing (DL) offices and Satellite City Halls (SCH), there exists a common lack of understanding that CSD's five DL offices and CSD's nine SCH are two distinctly different types of operations. They cannot be fairly compared especially since this audit did not include a component to analyze SCH operations, practices and attitudes. The complexities in operations, training requirements, and demographics of clientele greatly vary. We caution in making any comparisons, or contribute operation success or deficiencies to certain factors, without the collection of measurable data, which this audit does not focus on.
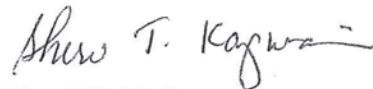
13.   *CSD evaluate the most effective organization to deliver MVLP Division services, and, as appropriate, consider merging the MVLP Division under the oversight of the Satellite City Hall Division.*

We disagree with this recommendation.

Due to the highly varied primary functions of each division, it would not be advisable to combine the functions under one authority. We do, however, agree that both MLVP and SCH move in the same direction in terms of customer service and in keeping with the department's mission statement and goals.

The Department of Customer services is committed to improving our service to the community. In addition to the goals outlined above, we are also making mid-level management changes and plan on building a cohesive team that puts service at the forefront of all operations.

Very truly yours,

Sheri T. Kajiwara
Director

APPROVED:

Ember Lee Shinn
Managing Director

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Appendix 1
Background: Customer Services Department

Customer Services Department Responsibilities, Mission, Goals and Objectives

The Customer Services Department (CSD) consists of four divisions: Administration; Public Communication; Satellite City Halls; and Motor Vehicle, Licensing and Permits (MVLP). CSD has nine satellite city halls in the City and County of Honolulu, and one service center at Pearl Harbor.[1] CSD's stated mission is *"to provide the highest quality of service to the public, whether the interaction is in person, on the phone, or electronically."* Its overall goals and objectives are to provide courteous and efficient service, as well as:

- Increasing the variety of transactions offered at the various department service centers around Oʻahu;

- Improving the service centers to facilitate one-stop service;

- Automating processes to increase efficiency and convenience;

- Educating the public on available electronic-based services so that more transactions can occur *on-line* instead of *in-line*; and,

- Cross training staff to improve processing capability.

The Customer Services Department is responsible for providing the public with information about city programs, administering the Motor Vehicle Licensing and Permit program, and operating driver licensing stations island-wide.

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[1] The nine satellite city halls are located at Ala Moana Center; Pearlridge Shopping Center; Hawaiʻi Kai Corporate Plaza; Windward City Shopping Center; Fort Street Mall; Kapolei Hale; Kapalama City Square; Wahiawa Police Station; and Waiʻanae Neighborhood Community Center. The one service center is located at Pearl Harbor. The Pearl Harbor satellite office performs only motor vehicle transactions. The Satellite City Hall Division and the MVLP Division operate as separate entities and are separate divisions in the Customer Services Department.

State of Hawaiʻi identification cards and driver licenses are issued by MVLP Division offices located at Kapolei Hale, Wahiawa Police Station, Waiʻanae Neighborhood Community Center, Kapalama City Square, and Koʻolau.

For FY 2013, the CSD operating expenditures totaled $19.3 million; total revenues totaled $155.1 million; and total authorized staffing was 307 full time equivalents (FTEs). CSD vacancies totaled 70 FTEs, or 22 percent.

CSD Motor Vehicle, Licensing and Permits (MVLP) Division

CSD's Motor Vehicle, Licensing and Permits Division has primary responsibility for driver license and State of Hawai'i identifications issued on the island of O'ahu. It is also responsible for:

- Processing motor vehicle, trailer, bicycle, moped, and animal registrations;

- Issuing business licenses;

- Administering the derelict and abandoned vehicle programs;

- Administering and enforcing the periodic motor vehicle inspection program;

- Administering the reconstructed vehicle program;

- Implementing the general newsstand and Waikiki Special District publication dispensing rack programs;

- Administering the disabled parking placard and identification card for the city and county of Honolulu;

- Implementing the Motor Vehicle Safety Responsibility Act;

- Investigating general newsstand, Waikiki Special District publication rack, taxicab, and vehicle inspection violations; and

- Administering the Animal Care & Control and the Spay/ Neuter Certificate contracts

To accomplish these functions, the MVLP Division is divided into three branches: Driver License, Motor Vehicle, and Special Services. The Driver License Branch processes driver licenses and the State of Hawai'i identifications. Its other responsibilities include testing and issuing driver licenses to operators of motor

vehicles such as mopeds and truck tractors with tandem trailers, and testing and issuing certificates for operators of taxicabs and pedicabs. On January 2, 2013 this section assumed responsibility for issuing State of Hawai'i identification cards.

MVLP Division Revenue and Expenditures

The MVLP Division is funded through a combination of general funds and the highway beautification special fund. Exhibit A1.1 shows the total revenue and expenditures of the division from fiscal year 2009 through 2013.

Exhibit A1.1
Division Revenue and Expenditures

Fiscal Year	Total Operating Expenditures ($ million)	Total Revenue ($ million)
2009	$13.6	$99.9
2010	$13.6	$113.4
2011	$12.8	$138.6
2012	$13.0	$151.7
2013	$13.6	$154.3

Source: 2013 Service, Efforts, and Accomplishments Report

MVLP Driver License Office Staffing

The three positions involved in the processing of driver licenses and learner permits are the driver license examiner, driver license clerk, and clerk. Driver license examiners primarily administer the written and driver testing, in addition to collecting fees and issuing driver licenses and permits. The driver license clerks primarily perform the clerical tasks related to the processing of driver licenses and permits, processing applications and reviewing documents.   The clerk position is used as an entry-level position for related clerical tasks. The driver license clerk and clerk positions also process state identification cards. The staffing for each driver license office is presented in Exhibit A1.2.

Exhibit A1.2
Driver License Office Staffing by Position

Location	Driver License Examiner		Driver License Clerk		Clerk	
	Authorized	Filled	Authorized	Filled	Authorized	Filled
City Square	15	12	19	16	17	11
Kapolei	8	6	3	3	1	1
Koʻolau	5	4	4	3	0	0
Wahiawa	4	3	4	4	1	0
Waiʻanae	2	0	1	0	2	1
Total FTE	34	25	31	26	21	13

Source: MVLP Position Staffing Report, compiled by Office of City Auditor

MVLP Demand for Services

The following exhibits show the annual driver license transactions at the MVLP Division driver license offices for FY 2006-FY2013 and the percentage of driver license transactions serviced by each office. City Square and Kapolei driver license offices serviced approximately 60 – 77 percent of the driver license transactions. The processing of State of Hawaiʻi identifications increased the MVLP workload by 51,512 State of Hawaiʻi identification cards transactions in calendar year 2013. The number of identification cards reported issued statewide can vary from 50,000 to 80,000 transactions annually. Of which, we estimate 70.2% would be processed on Oʻahu, or 35,100 to 56,160 transactions.

Exhibit A1.3
Driver License Transactions at Honolulu MVLP Locations
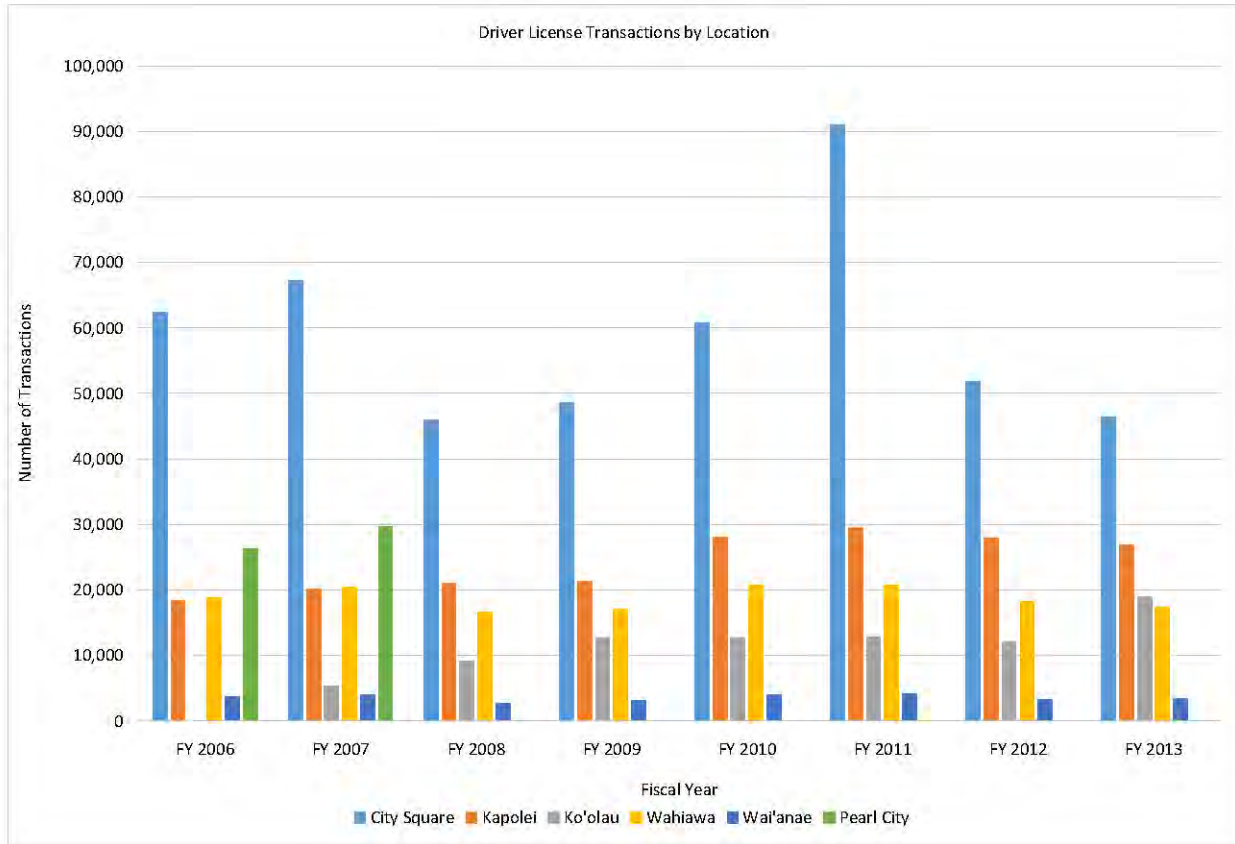
Source: Department and Agency Reports, FY 2006-FY2013
Note: Excludes Satellite City Halls and Commercial Driver License

Exhibit A1.4
Overall Driver License Transactions Per Location by Fiscal Year

DMV Locations	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
City Square	62,397	67,255	45,917	48,611	60,735	91,084	51,879	46,415
Kapolei	18,382	20,192	20,970	21,400	28,014	29,481	27,977	26,924
Koʻolau	-	5,374	9,213	12,723	12,714	12,790	12,015	18,998
Wahiawa	18,762	20,478	16,543	17,002	20,766	20,777	18,301	17,311
Waiʻanae	3,666	4,008	2,717	3,070	4,013	4,196	3,324	3,479
Pearl City	26,266	29,717	-	-	-	-	-	-
Total	**129,473**	**147,024**	**95,360**	**102,806**	**126,242**	**158,328**	**113,496**	**113,127**

Source: Department and Agency Reports, FY 2006-FY2013
Note: Excludes Satellite City Halls and Commercial Driver License

Exhibit A1.5
Percentage of Overall Driver License Transactions Per Location by Fiscal Year

DMV Locations	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
City Square	48%	46%	48%	47%	48%	58%	46%	41%
Kapolei	14%	14%	22%	21%	22%	19%	25%	24%
Koʻolau	-	4%	10%	12%	10%	8%	11%	17%
Wahiawa	14%	14%	17%	17%	16%	13%	16%	15%
Waiʻanae	3%	3%	3%	3%	3%	3%	3%	3%
Pearl City	20%	20%	-	-	-	-	-	-
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: Department and Agency Reports, FY 2006-FY 2013
Note: Excludes Satellite City Halls and Commercial Driver License; Percentage totals may not foot due to rounding

MVLP Driver License Process

Generally, the MVLP process for obtaining a driver license or permit requires an applicant to:

- Appear in person at a city driver licensing office (some limited exceptions are allowed);

- Complete an application;

- Comply with applicable eligibility requirements (e.g., age, medical, financial responsibility, minor status, and clear driving abstract);

- Provide the appropriate federal required REAL ID documents that prove the applicant's identity;

- Be photographed for security and for the card image;

- Submit to an eye test and fingerprinting;

- Pass written and/or road testing, as appropriate; and

- Pay the appropriate testing, permit, or license fees.

Fees are prescribed by ordinance, and vary according to the service provided. Durations of driver license are prescribed by ordinance, and vary according to the age of the applicant. There are other miscellaneous fees applied for duplication, reactivation, reinstatement, or state law required verification of non-United States citizens.

MVLP State of Hawai'i Identification Card Process

On January 2, 2013, MVLP assumed responsibility for issuing the State of Hawai'i identification cards as required under Hawai'i law, Act 310, Session Laws of Hawai'i (2012). Act 310 consolidated the state's driver license and State of Hawai'i identification card programs to meet the requirements of the federal REAL ID Act. Act 310 authorized the four counties' driver license offices to take over the function of issuing State of Hawai'i identification cards. This was previously uder the jurisdiction of the State of Hawai'i Department of Attorney General.

Anyone applying for an original or renewal of their Hawai'i State identification card must present original or certified copies of documents showing proof of legal name, date of birth, social security number, legal presence and proof of principal residence address (two documents) in the U.S. The applicant must appear in person at any of the city's MVLP driver license offices.

Generally, the process for obtaining a civil identification card requires the following of an applicant:

- Appear in person at a city driver licensing office only;

- Complete an application;

- Provide the appropriate REAL ID documentation to verify identity;

- Be photographed for security and for the card image; and

- Pay the appropriate fee.

As of May 1, 2014, the cost for obtaining a State of Hawai'i identification card is $40, and duplicate cards cost $6. The identification card is good for eight years for permanent residents and varies for temporary residents according to the length of their legal stay.

Federal REAL ID program requirements

The federal government passed the REAL ID Act of 2005 to establish and implement regulations for state driver license and civil identification document and to implement security standards. REAL ID is a coordinated effort by the states and the federal government to improve the reliability and accuracy of state-issued identification documents, to reduce fraud, and to deter acts of terrorism.

The act implemented a recommendation of the 9/11 Commission Report (2004) urging the federal government to set standards for the issuance of sources of identification, such as driver licenses. It establishes minimum requirements for the production and issuance of state-issued driver licenses and identification cards. The act prohibits federal agencies from accepting for official uses driver licenses and identification cards from states unless the Department of Homeland Security (DHS) determines a state meets the requirements. Official uses are defined as accessing federal facilities, such as entering nuclear power plants, and boarding federally regulated commercial aircraft. As of August 2013, the Department of Homeland Security considers the State of Hawai'i to be compliant with REAL ID requirements.

The additional security and identity verification required to comply with REAL ID requirements and to issue a REAL ID-

compliant driver license or state identification include the following:

- **Appear in person:** an applicant must appear in person when applying for or renewing a driver's license, permit, or state identifications. The applicant must present required documents to verify the applicant's identity. In Hawai'i, there are a few limited exceptions to making an in-person appearance for renewals or duplicating driver license or State of Hawai'i identification cards.

- **Facial image capture:** a facial image must be captured and maintained for everyone who applies for a driver's license or State of Hawai'i identification card. For security purposes, the photo must be taken at the beginning of the application process to prevent fraud, identity theft, and use of licenses under different names.

- **Document authenticity:** a REAL ID-compliant credential can be only issued after valid documentation is reviewed and verified. Employees are required to complete approved training for recognizing fraudulent documents and for security awareness.

- **Issuer integrity:** employees are subject to name and fingerprint based criminal history and employment eligibility checks. A security plan must be submitted to the federal Department of Homeland Security for protecting personal information and physical security. In Hawai'i, credentials are currently issued by mail from a central location by a vendor, and not over-the-counter at the driver licensing offices.

- **Scanner/Electronic Capture:** a digital scan of identity source documents must be captured and retained for at least ten years, and images must be stored in a transferable format. This information is subject to security requirements regarding the protection of personal information and physical security.

- **Lawful status and other verifications:** An applicant's social security number must be verified through the Social Security Online Verification database (SSOLV). The applicant's birth record must be verified with the National Association for Public Health Statistics and Information Systems (NAPHSIS) Electronic Verification of Vital Events. A non-citizen applicant's lawful status must be

verified through the Department of Homeland Security's entitlements database (via VLS, USCIS SAVE data). Driver data must be shared among all states in order to verify the applicant does not hold multiple licenses, or have problems related to the driver license.

Appendix 2
Motor Vehicle, Licensing and Permit Division (MVLP) Customer Service Survey

For the audit, we developed the attached customer service survey to quantify residents' and customer's perceptions of the Motor Vehicle, Licensing and Permit Division (MVLP) operations. The survey was conducted at five driver license office locations. We determined if the complaints were continuing issues and if the complaints represented recurring themes.

The sample assumptions were:

- Margin of error: 10 percent

- Confidence level/accuracy: 90 percent

- Population size: 911,660 driver license holders as reported in the Federal Highways Administration 2011 statistics

- Response distribution: 50 percent which creates the largest sample when response results are unexpected for each question

- Minimum recommended sample size: 68 participants.

We obtained responses from 70 participants at the MVLP offices who were seeking driver license or state identification services. The actual customer survey and the survey results are shown in Exhibits A2.1 and A2.2.

Exhibit A2.1
Motor Vehicle, Licensing and Permits Customer Survey

Audit of the Department of Customer Services' Motor Vehicle, Licensing and Permits Program
Customer Survey

1. What service(s) did you receive today?
   Driver License
   ☐ Issuance (first time)
   ☐ Duplicate (for lost, stolen, etc.)
   ☐ Renewal
   ☐ Permit
   State ID
   ☐ Issuance (first time)
   ☐ Duplicate (for lost, stolen, etc.)
   ☐ Renewal
   ☐ Other (Please specify) _____

   _____

2. With regard to Customer Service, how were you treated?
   ☐ Excellent
   ☐ Good
   ☐ Neutral
   ☐ Fair
   ☐ Poor

3. How helpful was the clerk who assisted you?
   ☐ Extremely helpful
   ☐ Very helpful
   ☐ Moderately helpful
   ☐ Slightly helpful
   ☐ Not helpful at all

4. Overall, how satisfied are you with your experience?
   ☐ Extremely satisfied
   ☐ Slightly satisfied
   ☐ Neither satisfied nor dissatisfied
   ☐ Slightly dissatisfied
   ☐ Extremely dissatisfied

5. How long was your wait?
   ☐ Less than 15 minutes
   ☐ 15 – 30 minutes
   ☐ 30 minutes – 1 hour
   ☐ 1 – 2 hours
   ☐ Over 2 hours

6. How long of a wait do you feel is acceptable for a customer (not including service time)?

   _____

7. Did you previously come for service but were turned away?
   ☐ Yes
   ☐ No
   If yes, what prevented you from being serviced?

   _____

   _____

8. Did you use any of the city's resources to prepare prior to arriving?
   ☐ Yes
   ☐ No
   If yes, which resources? _____

   _____

9. Did you receive the service for which you came today?
   ☐ Yes
   ☐ No
   If no, why not? _____

   _____

10. What would you change about today's experience?

    _____

    _____

11. Do you have any additional comments or suggestions that may be beneficial?

    _____

    _____

12. What made you choose this location?

    _____

    _____

Thank you for participating in our survey!
Office of the City Auditor, City & County of Honolulu

Source: Office of the City Auditor

Exhibit A2.2
Customer Survey Results

Customer Survey Results				
Question	Answer	Total	Percentage	Total
For what service(s) are you here today?	Driver Permit	22	31.43%	
	Driver Permit Duplicate	0	0.00%	
	Driver License Issuance	15	21.43%	
	Driver License Duplicate	7	10.00%	
	Driver License Renewal	7	10.00%	
	Driver License: Out of state transfer	3	4.28%	77.14%
	State ID Issuance	5	7.14%	
	State ID Duplicate	5	7.14%	
	State ID Renewal	5	7.14%	21.43%
	Other: Motorcycle endorsement on license	1	1.43%	1.43%
For what service(s) are you here today? Total		70	100.00%	100.00%
What made you choose this location?	Convenient; Close to home/work	57	81.43%	81.43%
	Recommendation in Internet	2	2.86%	2.86%
	Services provided for ID	2	2.86%	2.86%
	Wai'anae location is closed today	1	1.43%	1.43%
	Was in the area	2	2.86%	2.86%
	Heard the service was faster	3	4.28%	4.28%
	I didn't think it would be crowded	3	4.28%	4.28%
What made you choose this location? Total		70	100.00%	100.00%
How long of a wait do you feel is acceptable for a DMV customer (not including service time)?	5 to 10 minutes	3	4.29%	
	10 minutes	10	14.29%	
	15 minutes	5	7.14%	
	15-20 minutes	4	5.71%	
	20 minutes	7	10.00%	
	20-30 minutes	4	5.71%	
	Less than 30 minutes	4	5.71%	
	30 minutes	15	21.43%	74.28%
	30 min to 1 hour	6	8.57%	
	Less than 1 hour	5	7.14%	
	1 hour	3	4.29%	20.00%
	Depends	1	1.43%	
	Doesn't matter	1	1.43%	
	Not 2 hours	1	1.43%	
		1	1.43%	5.72%

Exhibit A2.2 (Continued)

Customer Survey Results				
Question	Answer	Total	Percentage	Total
How long of a wait do you feel is acceptable for a DMV customer (not including service time)?Total		70	100.00%	100.00%
How long was your wait today (not including service time)?	2 minutes	1	1.79%	
	10 to 15 minutes	20	35.71%	
	15 to 30 minutes	6	10.71%	
	20 minutes	8	14.29%	
	30 minutes	6	10.71%	73.21%
	60 minutes	11	19.64%	19.64%
	Over 2 hours	4	7.14%	7.14%
How long was your wait today (not including service time)? Total		56	100.00%	100.00%

Source: Office of the City Auditor

Appendix 3
Best Practices for Managing Customer Waits

Managing Customer Waits			
Principle	**Description**	**DMV Offices**	**Best Practice Options**

The more valuable the service, the longer the customer will wait	• Tolerance for waiting depends on the perceived value of that which we wait for	• Department is the only provider of state identification card and driver license services	• Consider options to manage customer waits
			• Consider options to manage customer demand
			• Consider methods to minimize on-site waiting
			• Provide more rapid service
			• Increase capacity
			  • Increase service counters
			  • Express lines
			• Efficiently staff
			  • Staff according to demand
			  • Flexible scheduling
			  • Streamlining training to provide coverage faster
			• Increase options for alternate provision of service, where possible
			  • Online
			  • Mail in applications

Occupied time feels shorter than unoccupied time	To occupy time during the wait, provide the customer with an activity that offers a benefit in itself and is related to the service (or customer fills time with an unrelated activity)	• Generally customers wait in lines at the offices unoccupied
		• Koʻolau DMV Office has provided check in and waiting area on a pilot basis
			• Engage or distract customers
			  • Interactive media – television or radio
			  • Handouts – brochures, pamphlets, reading materials, signs, surveys
			• Provide comfort measures, allow for customers to distract themselves
			• Provide options to the customer to leave the location until their service time

People want to get started	Offer the customer to start the process while waiting or remotely start the process	• Check in area/review desk are available at two locations
		• At the other locations, there is only waiting to be served
		• Online pre-fill application options are limited
			• Check in booth – review desk at all locations
			• Other means of starting the process
			  - Virtual queuing
			  - Online applications (pre-fill)

Principle	Description	DMV Offices	Best Practice Options
Anxiety makes waits seem longer	Acknowledge the customer's wait Reduce anxiety about the transaction	• Customer experience at locations can widely vary -Due to customer demand -Due to unpreparedness • Lack of acknowledgment, information and review assistance	• Periodic announcements (advisory) on-site and virtually • Provide information on how to minimize waits • Provide information to better equip customers to conduct their transaction effectively
Uncertain waits are longer than known, finite waits	Communicate the expected wait time	• No efforts to provide information on length of waits • Virtual queuing at Ko'olau does not disclose estimated wait and service time to customers • Lack of public information – signage	• Visual system updates • Electronic queuing systems that display customers' wait and service times - "In house" queuing system - Virtual queuing system to register for service - Kiosks - Text messaging app capabilities - Pull-Ticket System - Overhead audio notice - Let customers wander around or leave location - Appointment system with added flexibility • Website advisory notes with service line camera
Unexplained waits are longer than explained waits	• Communicate the reason for waits • More patience when waits are explained	• Lack of communication at offices when lines and waits are long • No explanation of unmanageable situations • No explanation of drops in service or window coverage	• Improve communication on-site • Improve information on website about longer than normal waits or unusual situations
Unfair waits are longer than equitable waits	• Customer's sense of equity is not obvious, and needs to be managed • Great care must be taken to be equitable	• First come first served processing – Single Queue • Unfair practices where return customers are taken back at window	• Avoid "cutting in" problems • Eliminate take back of formerly incomplete customers to front of line • Apply virtual queuing or service numbering to create an expectation of service • Consider special service express lines for quick transactions

84

Best Management Practices			
Practice	**Description**	**DMV Offices**	**Options to consider**
Measure customer demand and operational efficiency	Study and measure wait times, transaction times, window coverage, and customer demand	The division currently does not do this	• Study current waits and processing times manually • Obtain data from virtual queuing system to conduct analyses on meeting customer demand and efficiency of current operations
Measure quality of customer experience	Measure customer satisfaction with the customer service and experience provided	The division currently does not do this	• Conduct customer surveys on customer service and experience • Select customers to be "secret shoppers" to gain feedback on their service experience
Provide customer with information to transact business	Provide customers with information to enable them to effectively transact business with the driver license office	The division currently provides information on documentary, verification, and other information pertaining to the processing of driver licenses, state IDs, and driver learner permits on its website. It also provides information via public service announcements, the media, and via the mail	• Streamline the information presented • Develop more user-friendly website content • Allow for self-help information and forms
Provide customer-centered advisories	Provide customers with information about their experience at the driver license offices	The division currently provides web camera images of the driver license offices during operating hours	Provide informational advisories using its website or social media - Advise of real-time wait times, people in line - Advise of ways to minimize the wait - Advise of unusual demand or temporary operational issues at locations
Calculation of cost impact to meet customer service levels	Calculate the resources needed by each driver license office to meet customer service demand or performance measures	The division currently does not do this	• Calculate the resources needed to meet customer demand - Number of service windows per location - Number of staff hours to cover windows • Determine variances from current staffing levels to estimate impact on funding and staffing needs

85

Practice	Description	DMV Offices	Options to consider
Performance measures and service levels which are responsive to customer service and demand	Setting and managing around performance measures which ensure consistent customer service levels	The division currently has none	• Consider setting operational staffing minimums at locations to cover processing duties as well as the other job-related duties • Consider setting performance goals regarding customer experience like: - Service the substantial majority (70-80%) of customers within a specified amount of time - Manage waits on-site to a less than a benchmarked time period
Appropriate scheduling of staff to meet customer demand	Staff scheduling is optimized based on customer arrival rates. Additional service windows are staffed when a high volume of customers arrive. Number of windows can drop off when there are fewer customers.	The division staffs a number of service windows consistently and is not able to staff additional windows due to location or staffing level limitations	• Study customer demand then appropriately schedule staff to match service levels and peaks in customer demand • Examine staffing and infrastructure limitations on providing enough coverage to meet customer demand
Supplementing full time staff to meet customer demand	Use of temporary or part time staff to supplement window coverage during certain times of the day. During peak times, divisions would have the flexibility to staff up during peak times without having excess capacity during slower times	The division only applies this kind of staffing to temporarily meet high demand for road tests during known high demand periods.	• Consider hiring and training of temporary or part time staff to supplement window coverage during certain known peak times
Provide staff with customer service training	Train staff to balance verification and processing duties with providing good customer service	The division has no formal program to train for customer service	• Establish a commitment to providing good customer service and experience • Consider developing a customer service component to its current in-house processing training • Train staff to engage customers throughout their entire experience, from entry to finish

Appendix 4: Driver License and State Identification Card Wait and Processing Time (October 2013 - January 2014)

| Driver License and State Identification Card Wait and Processing Time (October 2013–January 2014) | | | | | | | | | | | |
Location	City Square	Range	Kapolei	Range	Ko'olau	Range	Wahiawa	Range	Wai'anae	Range	Total
Driver License and State of Hawai'i Identification Card Wait and Processing Time											
Number of Customers Serviced	182		125		100		40		199		646
Total Wait Time (minutes)	2477		2815		1868		1491		1538		10189
Total Processing Time (minutes)	983		433		765		440		1260		3881
Total Waiting and Processing Time (minutes)	3460		3248		2633		1931		2798		14070
Average Wait Time for Service (minutes per Customer)	13.61	0 to 65 minutes	22.52	1 to 59 minutes	23.82	0 to 61 minutes	37.28	0 to 119 minutes	7.73	0 to 64 minutes	15.78
Average Processing Time for (Service minutes per Customer)	5.40	0 to 37 minutes	3.46	1 to 16 minutes	2.51	0 to 37 minutes	11.0	0 to 44 minutes	6.33	0 to 36 minutes	6.00
Average Time for Service (total minutes)	19.01	8 to 81 minutes	25.98	4 to 65 minutes	26.33	0 to 84 minutes	48.28	0 to 132 minutes	14.06	0 to 97 minutes	21.78
Time Waiting (%)	71.6%		86.7%		70.9%		77.2%		55.0%		72.4%
Time Processing (%)	28.4%		13.3%		29.1%		22.8%		45.0%		27.6%
Total Percentage (%)	100.0%		100.0%		100.0%		100.0%		100.0%		100.%
Number of Windows Available	6		4		3		3		2		18
Number of Windows Operating	3.5 to 6		2 to 4		2 to 3		3		2		

Driver License and State Identification Card Wait and Processing Time (October 2013-January 2014)

Location	City Square	Range	Kapolei	Range	Ko'olau	Range	Wahiawa	Range	Wai'anae	Range	Total
CASHIER Waiting and Processing Time											
Number of Customers Serviced	37		-		84		-		80		
Total Wait Time (minutes)	923		-		307		-		176		
Total Processing Time (minutes)	65		-		204		-		175		
Total Waiting and Processing Time (minutes)	**988.00**		**-**		**511**		**-**		**351**		
Average Wait Time for Cashier (minutes per Customer)	24.95	8 to 41 minutes	-		6.02	0 to 21 minutes	-		2.2	0 to 11 minutes	
Average Processing Time for Cashier (minutes per Customer)	1.76	1 to 4 minutes	-		2.88	0 to 25 minutes	-		2.27	0 to 6 minutes	
Average Product Delivery Time for Cashier (minutes per Customer)	1.0	1 minute	-		1.29	0 to 5 minutes	-		0.31	0 to 5 minutes	
Average Time for Cashier Service (total minutes per Customer)	**27.70**	**9 to 43 minutes**	**-**		**10.18**	**0 to 21 minutes**	**-**		**4.78**	**0 to 16 minutes**	
Time Waiting (%)	96.1%		-		60.0%		-		53.4%		
Time Processing (%)	3.9%		-		40.0%		-		46.6%		
Total Percentage (%)	**100.0%**		**-**		**100.00%**		**-**		**100.00%**		**0.00%**

Driver License and State Identification Card Wait and Processing Time (October 2013–January 2014)

Location	City Square	Range	Kapolei	Range	Koʻolau	Range	Wahiawa	Range	Waiʻanae	Range	Total
Total Average Time for (Driver's License) Service (minutes per Customer)	19.01	8 to 81 minutes	-		26.33	0 to 84 minutes	-		14.06	0 to 97 minutes	
Total Average Time for Cashier Service (minutes per Customer)	27.70	9 to 43 minutes	-		10.18	0 to 21 minutes	-		4.78	0 to 16 minutes	
Total Waiting, Processing, and Cashier Time (minutes per Customer)	46.71	17 to 108 minutes			36.51	minutes			18.84	minutes	
Document Review\Check-In											
Customers Reviewed	-		-		78		-		-		
Total Wait Time	-		-		856		-		-		
Total Processing Time	-		-		189		-		-		
Total Time	-		-		1045		-		-		
Average Wait for Document Review (minutes per Customer)	-		-		10.97	1 to 43 minutes	-		-		
Average Processing Time for Document Review (minutes per Customer)	-		-		2.42	1 to 11 minutes	-		-		
Average Time for Document Review (total minutes per Customer)	-		-		13.40	1 to 44 minutes	-		-		
Time Waiting (%)	-		-		81.90%		-		-		
Time Processed (%)	-		-		18.10%		-		-		
Total Percentage	0.00%		0.00%		100.00%		0.00%		0.00%		0.00%

	Driver License and State Identification Card Wait and Processing Time (October 2013-January 2014)										
Location	**City Square**	**Range**	**Kapolei**	**Range**	**Ko'olau**	**Range**	**Wahiawa**	**Range**	**Wai'anae**	**Range**	**Total**
Wait for Window (minutes)						0 to 39 minutes				0 to 17 minutes	
Window Processing Time (minutes)						1 to 29 minutes				1 to 12 minutes	
Wait for Cashier (minutes)	923		-		307	0 to 21 minutes	-		176	0 to 5 minutes	
Cashier Processing Time (minutes)	65		-		141	0 to 4 minutes	-		175	1 to 4 minutes	
Cashier Product Waiting Time (minutes)	-		-		63	0 to 5 minutes	-		24	0 minutes	
Average Time for Cashier Service (total minutes per Customer)	26.70		-		10.18	0 to 25 minutes	-		4.78	0 to 22 minutes	
Median Waiting Time	12		19		15		17		11		
Mode: Waiting Time	3		19		9		17		2		
Incomplete Processing	12		14		21		16		59		
Incomplete Processing (%)	6.6%		11.2%		21.0%		40.0%		29.65%		

Source: Office of the City Auditor Survey Results

Appendix 5: City Council Resolution 13-27

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

No. ___13-27___

RESOLUTION

REQUESTING THE CITY AUDITOR TO AUDIT THE DEPARTMENT OF CUSTOMER SERVICES' MOTOR VEHICLE, LICENSING AND PERMITS PROGRAM.

WHEREAS, the Department of Customer Services ("CSD") administers the City's motor vehicle, licensing and permits program; and

WHEREAS, as the department responsible for this function, CSD is responsible for processing motor vehicle registrations, issuing driver licenses, and administering the motor vehicle inspection program; and

WHEREAS, CSD also administers the Satellite City Hall program which offers the public alternative sites to make certain motor vehicle and licensing transactions, among other functions; and

WHEREAS, according to the City and County of Honolulu Proposed Operating Program and Budget for Fiscal Year 2013 (Mayor's Message 22(12)A), vehicle registration processing time at Satellite City Halls was estimated to be nine minutes, driver licensing issuance time was estimated to be 30 minutes, and the total transactions in the motor vehicle, licensing and permits program was estimated to be 10,064 per employee; and

WHEREAS, the Council of the City and County of Honolulu ("Council") has been made aware of numerous recent complaints from the public regarding long lines and wait times at CSD motor vehicle licensing locations; and

WHEREAS, the Council is aware that the administration has claimed that the long lines are due to the City's new responsibility of processing state identification applications and that the Mayor has announced plans to hire additional employees to assist in that function; and

WHEREAS, the FY 2013 Operating Budget Ordinance (12-19) approved by the Council in June 2012 included an amendment to the administration's request to add 9.0 new positions, $117,624 in salaries, and $106,000 in current expenses for CSD in order to cover the state ID function, and CSD stated in Departmental Communication 300 (2012) that the State Department of Transportation will reimburse the City for the costs of the state ID program; and

WHEREAS, additional measures, such as implementation of "pit bosses" to manage workflow and customer inquiries, or implementation of technology allowing for virtual queuing and online real-time monitoring of wait times among the various permit

PARKS

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

No. ___13-27___

RESOLUTION

office locations, may further increase efficiency at motor vehicle, licensing and permits locations and reduce the public's frustration; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that the City Auditor is requested to audit the City's Motor Vehicle, Licensing and Permits Program, addressing issues including, but not limited to:

1. Determining the efficiency of staff to process various motor vehicle licensing and permitting transactions;

2. Providing detailed statistics on daily and monthly transactions;

3. Providing recommendations on streamlining processes at motor vehicle licensing locations;

4. Providing recommendations on legislation that should be introduced to assist with motor vehicle licensing location efficiency;

and

2

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

No. _____ 13-27 _____

RESOLUTION

BE IT FINALLY RESOLVED that copies of this Resolution be transmitted to the City Auditor, the Mayor, the Managing Director, and the Director of Customer Services.

INTRODUCED BY:

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_____

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_____

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_____

DATE OF INTRODUCTION:

FEB 6 2013

_____

Honolulu, Hawaii

Councilmembers

3

93

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