

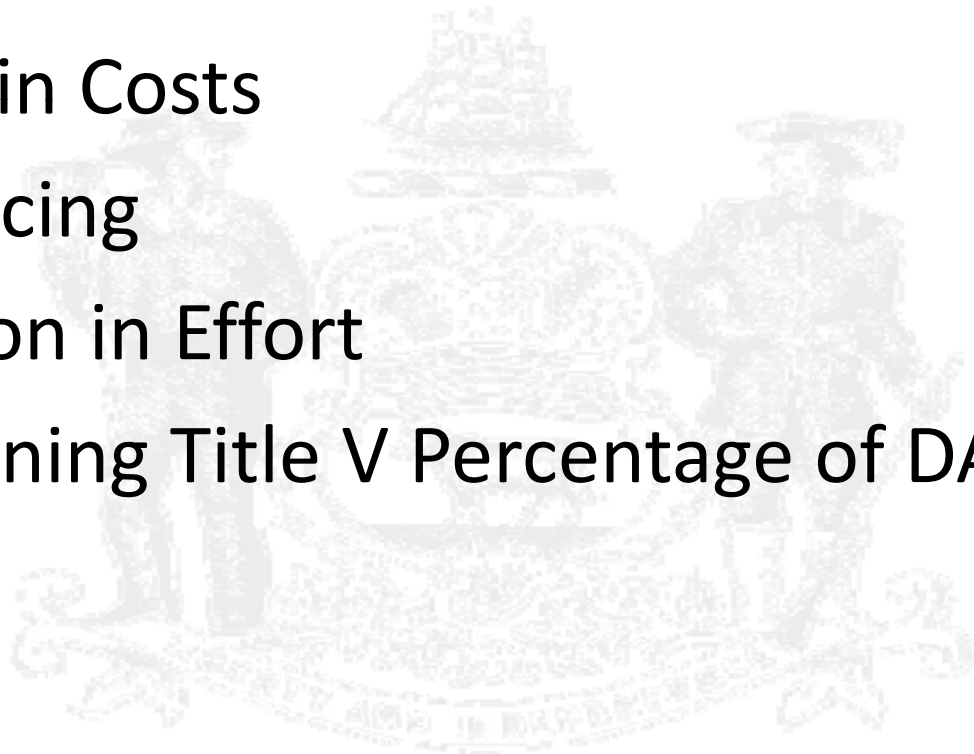


**Department of Natural Resources  
and Environmental Control  
Division of Air Quality**

2010 Workload Analysis Discussion  
Topics

# Overview

- Uncertain Costs
- Outsourcing
- Reduction in Effort
- Determining Title V Percentage of DAQ Costs



# Uncertain Costs

- The Workload Analysis attempts to project future costs for the period from 2011 through 2013.
- There are some potential costs that we felt were simply too uncertain to include in the Workload Analysis.
- These costs are significant and include:
  - Grantham Lane Energy Costs
  - Grantham Lane Rent

# Grantham Lane Energy Costs

- Grantham Lane energy costs have recently been paid through General Fund set aside money.
- They amount to approximately \$50,000 per year.
- These costs are not currently paid by DAQ, but with increasing cuts in General Fund money, they could be in the future.

# Grantham Lane Rent

- DAQ currently does not pay rent for Grantham Lane as it is a State owned building.
- Grantham Lane is approximately 15,000 square feet. The typical rental rate for similar office space is \$13-\$16 per square foot.
- Continuing Department-wide facility consolidation efforts may require relocating from Grantham Lane, resulting in an additional annual expenditure of \$195,000 to \$240,000 in rent.

# Outsourcing

- For the 2010 Workload Analysis, we determined that we need 78.9 FTEs.
- We are currently allocated 69 FTEs.
- We know that with the current personnel hiring restrictions any personnel growth above the current maximum authorized personnel level (69 FTEs) is not possible.
- Based on the total Division need (78.9 FTEs), the current personnel hiring restrictions create a shortfall of 9.9 FTEs.

# Outsourcing

- In order to address this shortfall, the DAQ reviewed activities across each Office and Branch for their suitability to outsource to private contractors.
- A general survey of contractors was then conducted to determine a minimum, maximum, and average cost for outsourcing these activities.
- We determined that 4.51 FTEs are suitable for outsourcing.

# Outsourcing

- Please note that this outsourcing analysis does not consider outsourcing entire functions of the DAQ such as permitting, emission inventory, or stack testing. We chose activities that we felt could be successfully outsourced with the types of personnel that we currently have on staff.



# Outsourcing

Activity Description	Outsourced Hours	Outsourced FTEs	Minimum Cost	Maximum Costs	Average Cost
Modeling	1,465	0.89	\$139,175.00	\$175,800.00	\$157,487.50
Data Analysis	1,485	0.90	\$141,075.00	\$178,200.00	\$159,637.50
Emission Inventory	825	0.50	\$78,375.00	\$82,500.00	\$80,437.50
Refinery Support	2,310	1.40	\$219,450.00	\$277,200.00	\$248,325.00
Scanning	858	0.52	\$13,221.78	\$17,202.90	\$15,212.34
Lab Computer Support	494	0.30	\$17,285.06	\$23,860.20	\$20,572.63
<b>Total</b>	<b>7,437</b>	<b>4.51</b>	<b>\$608,581.84</b>	<b>\$754,763.10</b>	<b>\$681,672.47</b>

# Outsourcing and Reduction in Work Effort

- This results in 5.4 FTEs worth of activities above our current allocation of 69 FTEs that will experience a reduction in work effort.
- A review of remaining activities was conducted and the DAQ determined that there were many activities that could have a reduction in effort to bridge the needed gap.

# Outsourcing and Reduction in Work Effort

- Frequency of facility compliance evaluations
- Supporting Climate Change and Regional Greenhouse Gas Initiatives (RGGI)
- Process improvement initiatives (LEAN/VSM)
- Special projects
- Workforce Development and Staffing analysis
- Capital improvement project activities
- Timekeeping system improvements

# Outsourcing and Reduction in Work Effort

- Grant support activities
- Education & outreach
- Data analysis activities
- Policy analysis
- Title V Fee management activities
- Participation with EPA Region III
- Laboratory management activities
- 10% reduction in permitting hours (resulting in longer permit issuance timeframes)
- Workshop for regulated community on permitting issues

# Calculating Title V Percentage of DAQ Costs

- For the 2007 Workload Analysis, two options for determining the Title V Cost were used:
  - Option 1 was based upon the LAP
  - Option 2 was based upon an analysis of each activity and whether it was Title V eligible. This was the Option that was chosen.

# Calculating Title V Percentage of DAQ Costs

- We are presenting Option 2 for determining the Title V Cost of the 2010 Workload Analysis.
- Since DAQ revenue sources have changed significantly since the 2007 Workload Analysis, we also wanted to explore how these changes would impact the total overall DAQ revenue and how much Title V Revenue would be needed to make up the balance.
- We are calling this exploration Option 3.

# Calculating Title V Percentage of DAQ Costs

<b>Option Description</b>	<b>Title V Cost</b>
Option 2 – Full Need	\$4,930,708.20
Option 2 - Outsourcing	\$5,151,773.09
Option 3 – Full Need	\$4,671,895.58
Option 3 - Outsourcing	\$4,837,642.72



# Summary

- There are potential costs that were too uncertain to include in the Workload Analysis that could total \$290,000
- Outsourcing and Reduction in Effort were considered to meet DAQ's Need
- We need to determine the Title V percentage of DAQ's Need.