

APPENDIX A

PROGRAM COST DETAIL

**Department of Industrial Relations
 Division of Occupational Safety & Health
 Hourly Billing Rate for Pressure Vessel Unit**

Direct Wages

Associate Safety Engr Average Wage (Direct Wages) with 3% GSI*	\$82,842
Sr. Safety Engr Avg Wage - 7% Inspecting (Direct Wages) with GSI*	\$7,756
Benefits	<u>\$38,957</u>
Sub Total Salary & Wages:	\$129,555

Divided by Available Direct Hours (# of hours) \$101.21

Program Support Wages

Program Administration Salary Cost	\$37,503
Divided by Available Direct Hours (# of hours)	<u>\$29.30</u>
Sub Total Hourly Rate - Wages:	\$130.51

Program Operating Expense

Program Operating Expense (per Governor's Budget)	\$7.98
Indirect Program Cost	<u>\$14.20</u>
Sub Total Hourly Wage Rate - Operating:	<u>\$22.17</u>

Grand Total Hourly Billing Rate **\$152.69**

Blended Hourly Rate: **\$152.69**

Multiplied by Direct Hours:	<u>1,280</u>
Projected Earnings/Inspector:	\$195,443.20
Number of Inspectors:	<u>23.28</u>

Projected Inspection Earnings if All Inspections were billed at a Flat "Blended" Hourly Rate of \$152.69. However, since two rates exist, Actual Revenue is projected at \$5,134,580. Please see next page for the break-out of the two rates. \$4,549,917.70

* GSI = General Salary Increase

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The Revised Hourly Rate of \$152.69 is a "Blended" Hourly Rate

Current Inspection Percentages based on a 6 year Average:

71.6% of the Inspection Hours are charged at \$135.00

28.4% of the Inspection Hours are charged at \$110.00

$$71.6\% \times \$135.00 = \$96.66$$

$$28.4\% \times \$110.00 = \underline{\$31.24}$$

$$\text{Current Hourly Blended Rate: } \$127.90$$

Percentage of Increase for Blended Rate:

$$\$152.69/\$127.90 = 1.194\% \text{ Increase}$$

New Hourly Rates:

$$\$135.00 \times 1.194\% = \$161.19$$

$$\$110.00 \times 1.194\% = \$131.34$$

Proof:

$$\$161.19 \times 71.6\% = \$115.41$$

$$\$131.34 \times 28.4\% = \underline{\$37.30}$$

$$\text{Blended Hourly Rate: } \$152.71$$

Recommended Increases:

Increase \$135.00 Rate to \$160.00

Increase \$110.00 Rate to \$135.00

Revenue based on 29,798 Annual Direct Hours:

71.6% of the 29,798 at \$160.00 & 28.4% at \$135.00

$$\$160.00 \times 21,335 \text{ Inspection Hours: } \$3,413,600$$

$$\$135.00 \times 8,463 \text{ Inspection Hours: } \underline{\$1,142,505}$$

$$\underline{\$4,556,105}$$

$$5 \text{ Year Avg Permit Fee Revenue: } \$578,475$$

$$\text{TOTAL: } \$5,134,580$$

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Available Direct Hours

/a

	Days	Hours	Total
Calendar Year	365	8	2,920
Less Deductions			
Saturdays	52	8	-416
Sundays	52	8	-416
Holidays	12	8	-96
Subtotal Deductions			-928
<u>Other Absences</u>			
Vacation / Annual Leave			-112
Sick Leave			-44
Holiday Credit/ATO			-7
Misc			-27
Subtotal Other Absences			-190
<u>Other Time</u>			
Unpaid Travel Time			-160
Administrative (paperwork, etc.)			-362
Subtotal Other Time			-522
Available Direct Hours ^b			1,280

1,280 Direct Hours x 23.28 Inspection Staff = 29,798 Annual Direct Hours

a/ Calculated per State Administrative Manual 8740

b/ 6 Year Average based on data provided by DOSH

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Program Cost Detail

Personal Services (Support Only)		
Salaries and Wages		
003	Permanent	\$740,938
	3% Salary Increase effective 7/1/13	\$22,228
033	Temporary Help	0
083	Overtime	0
	Net Salaries and Wages	\$763,166
101	Staff Benefits @ 43%	328,161
	Totals, Personal Services	\$1,091,327

Cost Funded by OSH Fund to support Public Works **\$218,265**

80% of Pers Svc funded by PV Fund **\$873,062** ¹¹

Operating Expense & Equipment		
201	General Expense	31,355
241	Printing	32,344
251	Communications	24,856
261	Postage	41,172
271	Insurance	0
291	Travel: In-State	277,944
311	Travel: Out-of-State	5,864
331	Training	576
341	Facilities Operations	213,462
361	Utilities	0
382	Cons & Prof Svs-InterDptl	12,040
402	Cons & Prof Svs-External	4,358
428.1(Consolidated Data Center (Teale)	51,192
428.2(Consolidated Data Center (H&W)	9,457
431	Information Technology	26,445

438	Central Admin. Services (Pro Rata)	276,967
439	Central Admin. Services (SWCAP)	0
451	Equipment	12,210
501	Other Items of Expense	0
601	Special Items of Expense	0

Totals, OE & E **\$1,020,243**

OE&E Costs Funded by OSH Fund to support Public Works **204,049**

80% of OE&E is funded by the PV Fund **\$816,194** ^{1/}

Less Permit Fees (Based on 5 Yr Avg) **-578,475**

Revised OE&E Costs supported by PV Fund **237,719**

Totals, Pers. Svcs. & OE&E funded by PV **\$1,110,781**

427	PV Fund Indirect Costs (Distributed Admin.)	423,000
	Program Totals	\$1,533,781

Direct Wages (80% of PV Unit's Direct Wages w/Ben) **\$2,738,598** ^{1/}

Total PV Fund Program Cost **\$4,272,379**

PROGRAM SUPPORT STAFF COST/HOUR

Number of Inspectors	23.28
Cost / Inspector	\$37,503
Available Direct Hours	1,280
Program Expense per Hour	\$29.30

PROGRAM OPERATING COST/HOUR (OE&E)

Number of Inspectors	23.28
Cost / Inspector	\$10,211
Available Direct Hours	1,280
Program Expense per Hour	\$7.98

INDIRECT OPERATING COST/HOUR

Number of Inspectors	23.28
Cost / Inspector	\$18,170
Available Direct Hours	1,280
Program Expense per Hour	\$14.20

1/ PV Program is funded by 80% PV fund and 20% OSH fund.