



















































# Specific Service

- Sample processing
- Machining, equipment repair, part fabrication
- Synthesis
- Testing
- Product sales

# Personnel Involved

- Administrative staff – answering phones, customer services, order tracking, invoicing, billing, and reconciling monthly status report.
- Technician – process samples, prepare/run/clean/repair instrumentation, communicate with customer
- Research Scientist – review work, communicate with customer, calibrate instruments



# Office Expenses

- Paper, ink, and other office supplies
- Postage
- Telephone/internet
- Shipping charges

# Job Specific Supplies & Expenses

- Dedicated computers
- Software
- Lab supplies - plastics, glass, solvents (chemicals), gloves, goggles, shipping containers, dry ice, service specific equipment
- Deionized water
- Paint, special paper, printer ribbon, labels
- Filters, bulbs, belts, blades
- Equipment service contacts

# Related Activities

- Regular maintenance of equipment – wash down, filter changes, lubrication, software updates
- Area cleanup
- Failure rate

# Additional Support

- **Supplemental funds from:**
  - Departments
  - Colleges
  - VP for Research
  - University
- These may or may not influence the rate charged to the users

# CASE STUDY

## UGA Instrument Shop

WaterJet Metal cutting machine

# Specific Service

## WaterJet Cutting Machine

- **Personnel involved** –
  - Instrument maker to operate the WaterJet
  - Shop manager for review
- **Office expenses** – internet charges
- **Job specific supplies** –
  - crushed garnet sand
  - shop towels
- **Related activities** –
  - regular maintenance
  - area clean up

# Personnel Cost Assumptions

## WaterJet Cutting Machine

### Employee Potential

Assumes 40 hours per week

2088 Business Hours in FY15

(96) LESS Holiday hours (12 UGA holidays FY15)

(64) LESS Estimated Annual Leave hours (8 days)

(40) LESS Estimated Sick Leave hours (5 days)

1888 Potential Hours to work

90% Potential work hours

# Personnel Cost Assumptions

## WaterJet Cutting Machine

- Shop Manager –

- Work/job review (12 jobs per hour)
- Annual Salary \$40,000
- Reviews finished parts and CAD drawings when needed

- Instrument Maker –

- Job set-up (6 jobs per hour)
- Annual Salary \$30,000
- Does not have to continually watch machine

# Personnel Cost Calculations

## WaterJet Cutting Machine

	Salary	Fringe Rate	Fringe Amount	Total
Manager	\$ 40,000	51%	\$ 20,400	\$ 60,400
Instrument Maker	30,000	51%	15,300	45,300

	Total Cost	Divide Work Hrs.	Hourly Rate
Manager	\$ 60,400	1888	31.99
Instrument Maker	45,300	1888	23.99

\*\*\*Assumes they work entire 8 hour day no down time

# Personnel Cost Calculations

## Time Allocation

- **NOTE**

- If an employee is assigned to monitor an instrument or machine the entire time it is in operation, then their rate is charged for the full time of operation.
- If instead, the employee initiates the machine and then moves on to other tasks or services, then only allocate the time required for direct interaction with the machine as part of the rate calculation.

# Personnel Cost Calculations

## Time Allocation

- Example
  - Research Scientist's typical day
    - 4 hours operating device
    - 2 hours on telephone for other assigned duties not related to service
    - 1 hour answering e-mail
    - 1 hour for breaks and general office conversation
  - Only 4 hours of the Research Scientist's time is assigned to that device (not 8 hours)

# Personnel Cost Calculations

- **How do you recover the other 4 hours**
  - Can the phone calls and emails be handled by another person?
  - Can some of the time be assigned to another service based on the content of the phone conversations?
- **Assign the 4 hours to Other Fixed Costs and distribute among all services**

# Office Expense Calculations

## WaterJet Cutting Machine

Internet            \$50 per month  
                              12 months  
                                
\$600 Annual Cost

Per Machine Cost

                              \$600 Annual Cost  
                                      5 Linked Machines  
                                
\$ 120 Annual Cost/machine

Hourly Cost

                              120 Annual Cost/machine  
                                      1888 Work Hours  
                                
\$ 0.06 Internet Cost per hour

# Job Cost Calculations

## WaterJet Cutting Machine

### Job Cost

Shop Manager	5 minutes per job X (\$32 per hour)	\$	2.67
Instrument Maker	10 minutes per job X (\$24 per hour)		4.00
Internet	5 minutes per job (\$0.06 per hour)		0.01
Cloth towels	4 per job (\$0.20 each)		0.80
Garnet Sand	(\$17 per job)		17.00
Annual Maintenance	\$5,000 /1888 hours		2.65
WaterJet Cost per job		\$	<u>27.13</u>

Direct Costs associated with service

# Assumptions

- 2088 hrs FY14 - [http://www.busfin.uga.edu/budget\\_div/fiscal\\_2014.pdf](http://www.busfin.uga.edu/budget_div/fiscal_2014.pdf)
- Fringe rates - <http://www.ovpr.uga.edu/osp/frequent-info>
- Holiday Schedule - [https://www.uga.edu/holiday\\_schedule/](https://www.uga.edu/holiday_schedule/)
- Leave rates - <http://www.hr.uga.edu/paid-days-off>



# The Carl Vinson Institute of Government

# *What Is...*



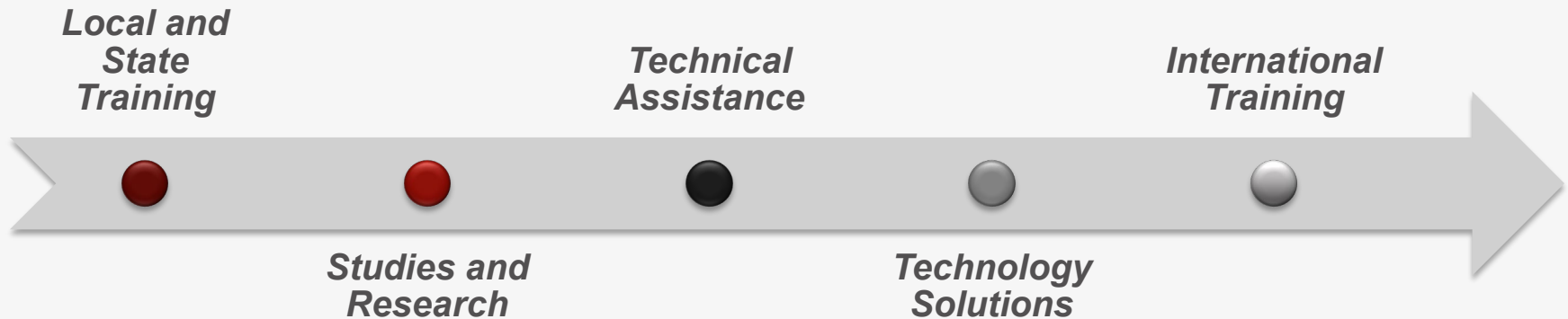
# *Excellence in Government?*

# Excellence in Government

*We help make governments **BETTER***

*We help make governments that are more **EFFICIENT** and **RESPONSIVE** to citizens.*

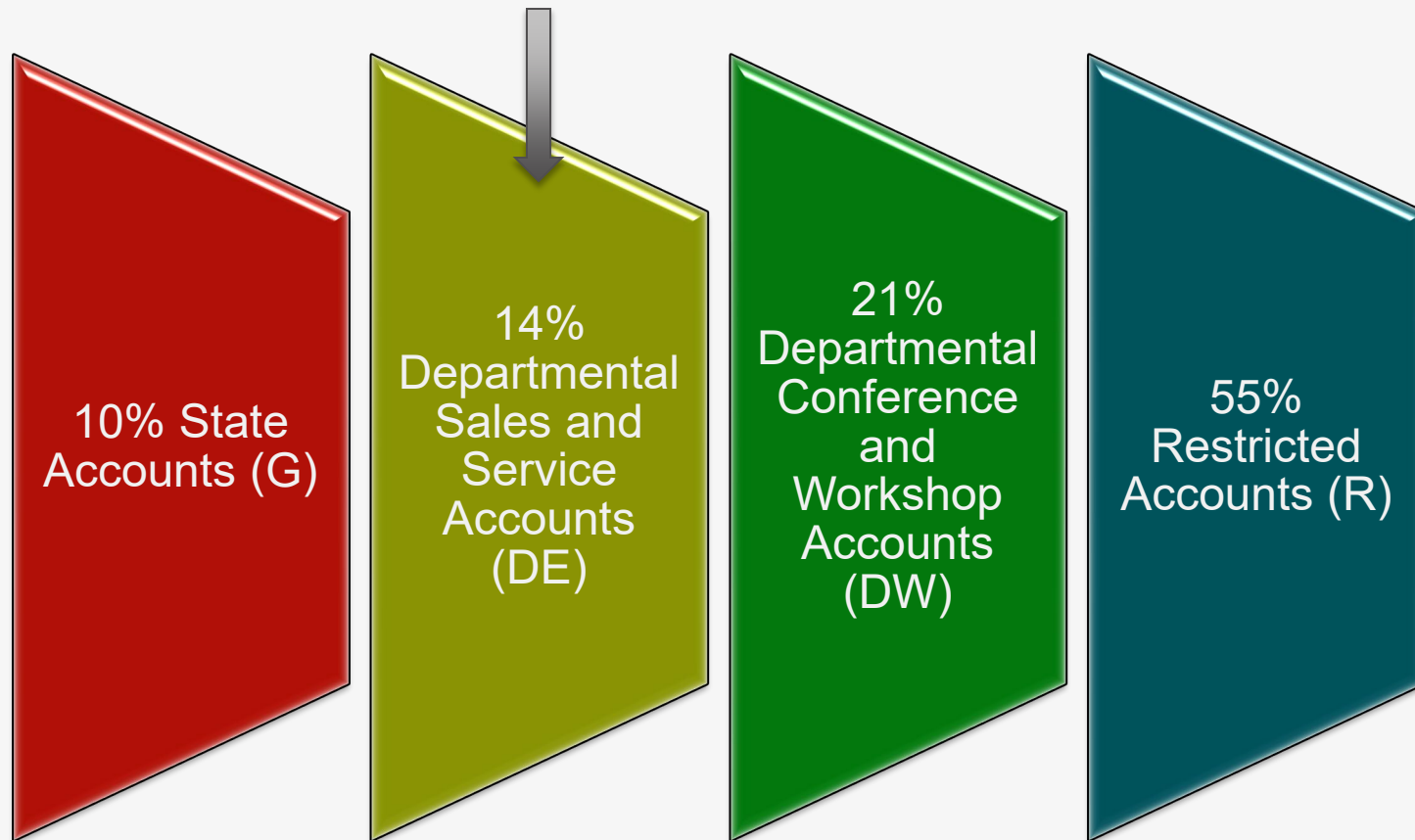
*This is achieved through a wide range of work...*





# Accounts

# Active Accounts





# Budgets

# Programmatic Budget Development



Anticipated Revenue



Budget Personnel Cost

- \* Salary
- \* Benefits



Budget Non-Personnel Costs

- \* Travel
- \* Operating



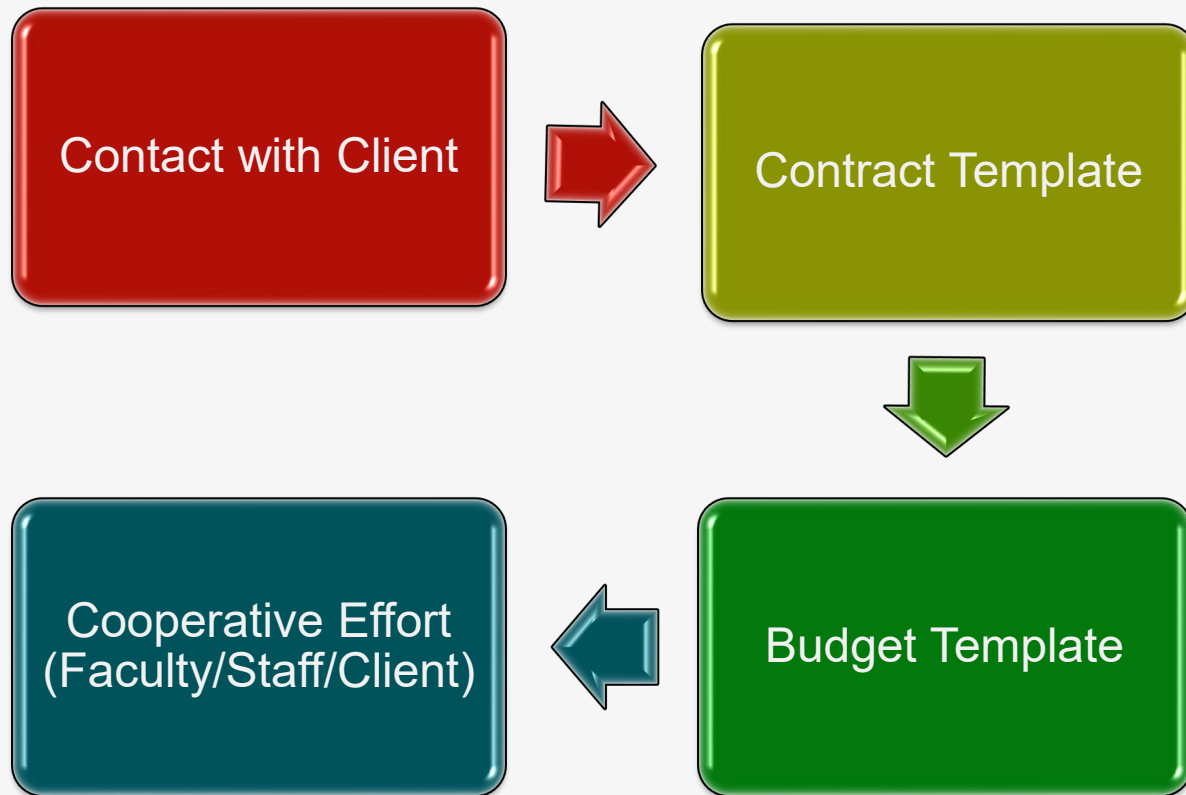
# BILLING





# Overview

## Contract Development



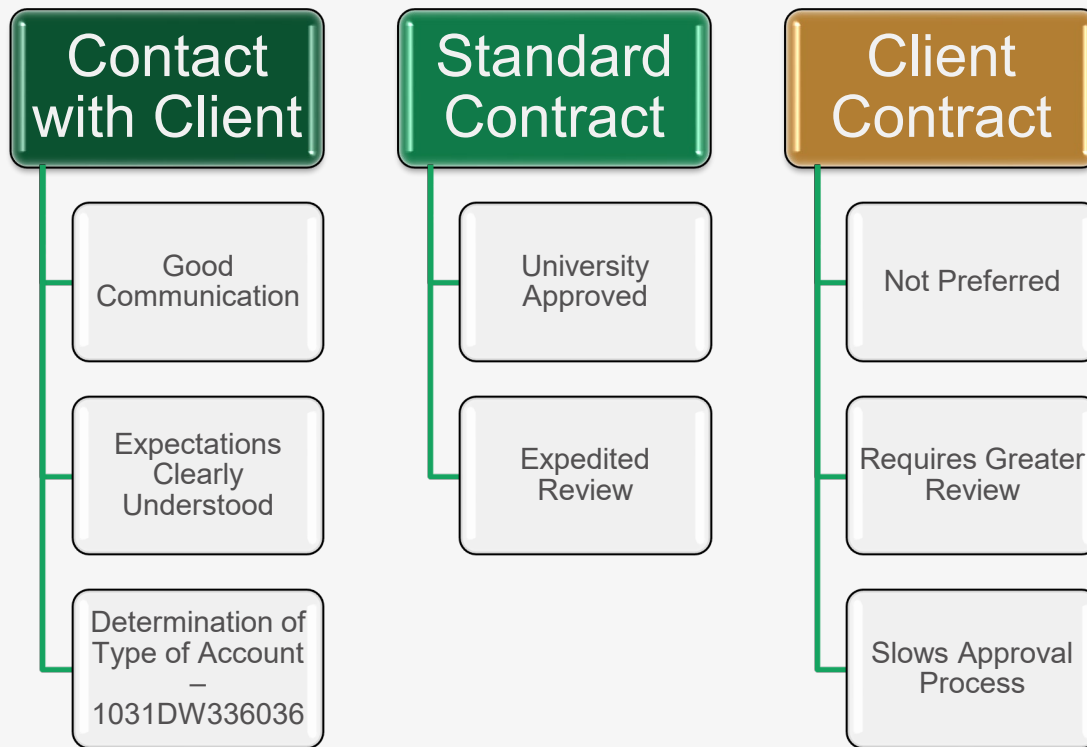
# Overview

## Contract Execution



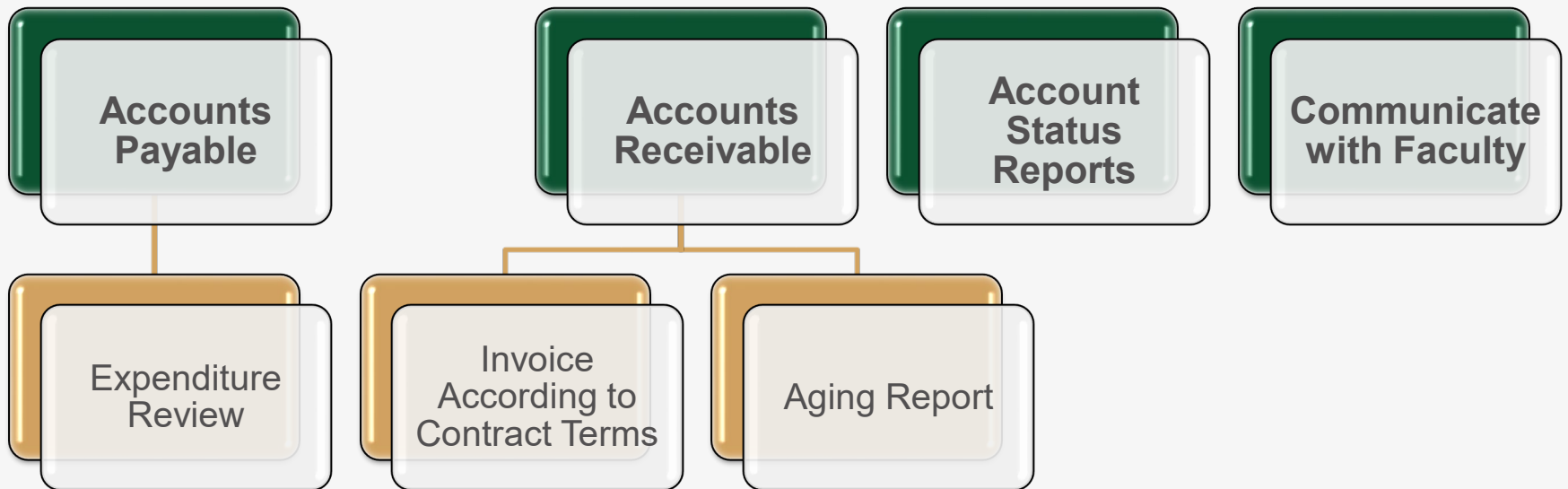


# Georgia City/County Management Association Contract



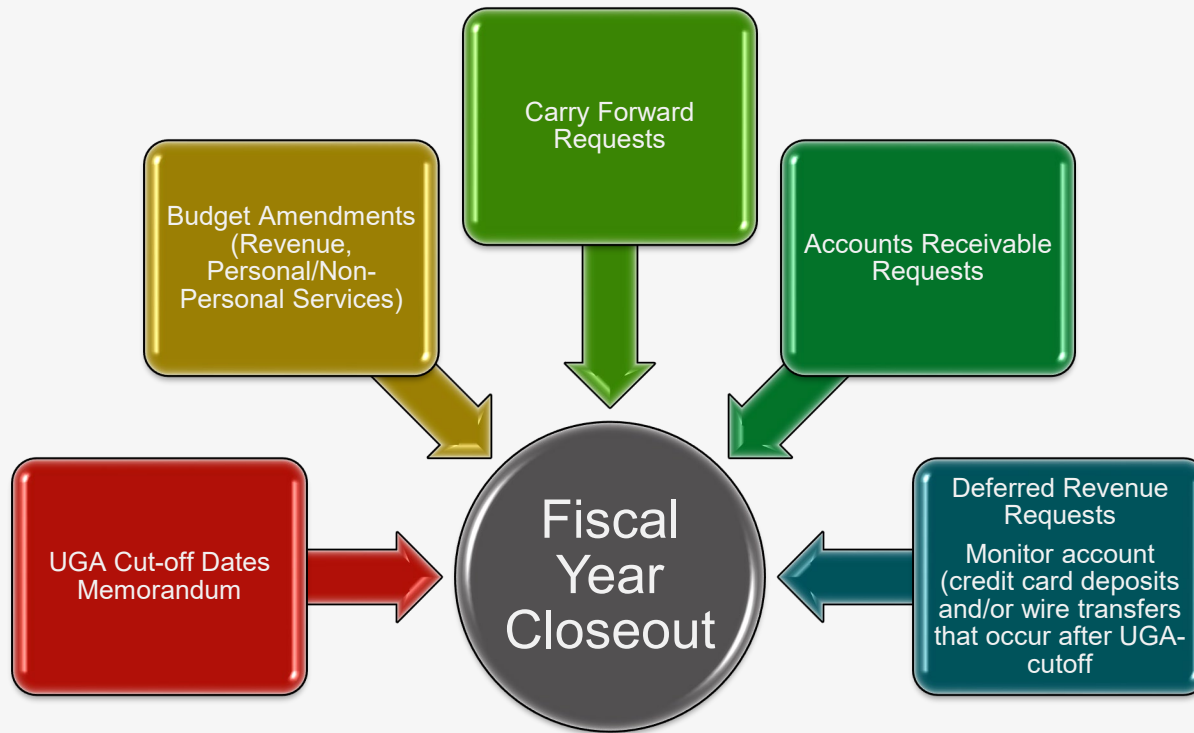


# Georgia City/County Management Association Contract





# Georgia City/County Management Association Contract





# LOCAL AND STATE TRAINING



# Questions?

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