

# Duty to Document Program Costs Estimates <sup>(note 1)</sup>

DRAFT

January 13, 2017

<u>Initial Setup Costs:</u>	<u>Existing Staff</u>	<u>20 New Hires (IM Analysts)</u>
Preparation-Consultation and Committees	\$39,500	
Implementation:		
Line of Business Review	\$715,000	
Policy Development	811,800	
Training & Awareness	<u>847,000</u>	
	\$2,373,800	
Total Initial Setup Costs (note 2)	<u><u>\$2,413,300</u></u>	
<u>Annual Operating Costs:</u>		
Training & Awareness	\$382,800	
Policy and Audit Management	<u>176,000</u>	
Total (Existing Staff) Operating Costs (note 2)	\$558,800	
Base Salary and Benefits:		
Base Salary (CG 41, Step 3, \$77,951)		\$1,559,012
Employer Paid Benefits (18.7%) (note 3)		<u>290,851</u>
Total Employer Current Year Costs		\$1,849,863
Liabilities (note 3):		
Severance Pay Liability		\$17,132
Pension Liability		0
OPEB Liability		<u>138,000</u>
Total Liabilities		\$155,132
Total Annual Operating Costs (note 2)	<u><u>\$558,800</u></u>	<u><u>\$2,004,995</u></u>
<b>Minimum Annual Incremental Operating Costs</b>		<u><u>\$2,004,995</u></u>

1. Program costs estimates presented in this report are for 17 departments and 3 supported agencies (PSC, GPA and Labour Relations) only. Costs for other agencies and boards are not included. Given their size, Memorial University, College of the North Atlantic, NALCOR, Eastern School District and the Regional Health Authorities, would very likely substantially increase program costs. As well, costs are not included for: OCIO development and implementation costs; OIPC costs related to development of an audit program; costs for recruitment, training, and office set-up for new hires.
2. Although costs are presented for the activities of existing staff, this does not necessarily mean additional cost to government. Existing staff involved in this project are primarily management and executive, and these activities may be absorbed into their daily workload, without increased compensation. Costs presented are at regular pay rates.
3. Employer paid benefits and liabilities are costed for new hires only. If government compensated existing staff for increased workload, this overtime compensation would not result in an increase in employer paid benefits and liabilities incurred by government. Overtime compensation is not pensionable, therefore does not increase pension contributions; and also does not increase other benefits and liabilities. One exception would have been CPP and EI premiums, however, regular compensation for existing staff is such that maximum premiums payable are reached.

# Duty to Document Supplementary Schedules

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January 13, 2017

Schedule 1: New Hires Annual Cost Breakdown: Senior IM Analyst (CG41, Step 3)

Base Salary: Senior IM Analyst (CG 41, Step 3)	\$77,951
Employer Paid Benefits (% of Base Salary):	
GNL Pension Contributions	9.97%
CPP Premiums	3.2%
EI Premiums	1.7%
Medical and Dental Premiums (Average, schedule 2)	1.8%
WHSCC Premiums (note 1)	2.0%
Other Paid Benefits	0.0%
Total Benefits (%)	18.7%
Employer Paid Benefits (\$)	\$14,543
 Total Base Salary and Employer Paid Benefits	 \$92,493
Liabilities:	
Severance Pay Liability (1 wk salary 20 Yrs, over 35 Yrs)	\$857
Pension Liability (Pension Reform-No Additional Liability)	0
OPEB Liability (Retirement Medical Dental Benefits)	<u>6,900</u>
Total Liabilities	\$7,757
 Total Annual Costs (Current Year and Liabilities) Senior IM Analyst	 \$100,250
 Number of New Hires-Senior IM Analysts	 20
Total Annual Costs (Current Year and Liabilities)	\$2,004,995

Schedule 2: Medical and Dental Premiums:

Annual Family Coverage Cost	\$1,973
Annual Single Coverage Cost	<u>828</u>
Average Annual Cost	\$1,400

1. Core government departments are classed as "self-insured accounts", and rather than pay premiums to WorkplaceNL, government pays the actual costs of each injury claim plus a 12% administration fee. However, to incorporate a measure of cost in the analysis, WorkplaceNL advised Finance to use a 2.0% premium on wages and salaries.

Department of Finance

**Total Estimated Costs to Implement - Duty to Document**

<b>Activity</b>	<b>Estimated Cost</b>	<b>Minimum Estimated Timeline to Complete</b>
1. Preparation		
Consultation & Committees	\$39,500	4 months (concurrent)
2. Implementation		
Line of Business Review	\$715,000	5 months
Policy Development	\$811,800	2 months
Training & Awareness	\$847,000	5 months
3. Ongoing		
Staffing	\$1,322,000	
Training & Awareness	\$382,800	
Policy and Audit Management	\$176,000	
<b>Estimate Total</b>	<b>\$4,294,100</b>	<b>12 months</b>

**NOTE: This analysis relies heavily on multiple assumptions, some of the more significant are identified below.**

<b>Assumptions:</b>
1. All costs are internal to government, government may choose to require absorption of the costs by the core Departments and Supported Agencies.
2. Costs are estimated based on estimated number of hours for activities, potential number of staff participating in individual activities and estimated average hourly salary by general position type; these elements can vary widely and affect costing. As well, additional effort may be required for some Departments/Agencies and less for others. For this analysis simple averages across these entities have been used to allow approximate costing estimates.
3. OCIO development and implementation costs have not been included; OIPC costs related to development of an audit program have not been included.
4. Core Departments and Supported Agencies have been calculated at 20 and include: AES, BTCRD, CYFS, EEC, ENV&C, EC, FIN, F&Aq, For&Agri, GPA, HCS, JPS, LR, HOA(Offices), MA, NR, PSC, SWSD, SNL, TW. There may be adjustment required to include some of the centralized Departments, for instance in the Exec Council cluster and remove others, for instance in the HOA cluster. This could adjust costing estimates.
5. No costs for public bodies outside of Core Departments and supported agencies have been estimated. These may be substantial for some public bodies given their size (e.g. Memorial University, College of the North Atlantic, NALCOR, Eastern School District, Regional Health Authorities).

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| <p>6. The Line of Business review is presumed to be the approach taken to implement. It is estimated this work will be completed by the IM Director or equivalent and a support resource as well as the Director of each Division and the Manager/Supervisor of each line of business. Time to review results with the ADM and DM have been estimated. Costs to backfill any of these resources and allow 100% dedication to implementation have not been included in this estimate.</p> |
| <p>7. Policy Development will involve each Department/Public Body developing a supporting set of policies and procedures that fit within the OCIO's revised <i>Management of Information Act</i> and released Policy and Directives and meet the requirements noted as part of the Line of Business Review. It is assumed procedures would be developed by individual Directors/Managers/Supervisors for each line of business to support the Departmental policy.</p>                   |
| <p>8. Policy Development will be led by each Department's IM DIR or equivalent with support staff assisting and following the Line of Business review. Consultation and Review with Divisional Directors and individual Manager/Supervisors as well as the ADM/DM is anticipated.</p>  |
| <p>9. The Policy Development ongoing cost estimate is several hours per year to update/maintain policies, consultation on updates to policies as well as several hours to support the OIPC Audit function, Audit reporting/response and related management issues.</p>   |
| <p>10. Training and Awareness activities involve initial roll-out training and on-line participation in existing CLD training courses related to Information Management. There is an implementation component and an estimate for go-forward time to participate in training for employees.</p>  |
| <p>11. Staffing costs assume 1 new position in each core Department dedicated to Duty to Document activities. Actual allocation of resources would be determined based on requirements of the Departments - this may mean some Departments sharing a resource and other having more than two. Government will need to approve final allocation recommendations.</p>  |

Consultation & Committees - Estimated Costs

Group	Estimated # Positions	Est # Hrs Required	Est Avg Rate/Hr	Cost (rounded)	Notes/Assumptions
DM Committee	5	16	\$78.58	\$6,300	Avg Exec rate applied; 3 hr over 4 mos; 4 hr to review draft materials
ADM Consultations	53	6	\$78.58	\$25,100	Avg Exec rate applied; 1 morning session, 1-2 hr of review of draft materials; 2/3 participation
Department/Public Body Engagement	5	2	\$78.58	\$800	Avg Exec rate applied; 5 PB engaged x 2 hour consultation session
HOA and Statutory Offices	5	2	\$78.58	\$800	Avg Exec rate applied; 5 Exec equivalents engaged x 2 hr of consultation
Other Offices (e.g. HRS, JUS, CLD, etc.)	5	2	\$57.10	\$600	Avg DIR rate applied; 2 hr of consultation
OIPC Consultations	2	2	\$57.10	\$200	Avg DIR rate applied; 2 hr of consultation
IM DIR Consultations/Feedback	20	5	\$57.10	\$5,700	Avg IM DIR rate applied; review of draft materials, IM DIR meetings
<b>Total Estimated Cost</b>				<b>\$39,500</b>	

Line of Business Review - Estimated Costs

Group	Estimated #	Est # Hrs Required	Est Avg Rate/Hr	Cost (rounded)	Notes/Assumptions
IM Director (or equivalent)	1	160	\$57.10	\$9,100	Avg IM DIR rate; 55 LOB sessions x 2 hr/session, 25 hr to develop Dept summary, 25 hr Div consultation & Exec meetings
IM Support Resource (IM Analyst)	1	160	\$30.98	\$5,000	Avg IM Analyst rate; same timeframe as DIR but will organize all meeting schedules and document as required
Divisional Director	12	15	\$57.10	\$10,700	Avg DIR rate; Avg of 12 Div/Dept; Avg 5 Mgr/Div x 2hr meetings, 5 hour to review materials for each DIR in Dept (avg)
Line of Business Managers/Supervisors per Dept	55	2	\$44.91	\$4,900	Avg Mgr rate; Avg of 55 Mgr/Dept x 2hr meetings
ADM Review	4	8	\$78.58	\$2,500	Avg Exec rate; Avg 4 Branches/Dept x 4 hr of review, 4 hr of meetings
DM Review	1	4	\$78.58	\$300	Avg Exec rate; 2 hr of review, 2 hr of meetings
Cost/Department	0	0		\$32,500	
Costs - All Departments	20	0		\$650,000	
<b>Total Estimated Cost</b>				<b>\$715,000</b>	

Policy Development - Estimated Costs

Implementation

Group	Estimated #	Est # Hrs Required	Est Avg Rate/Hr	Cost (rounded)	Notes/Assumptions
IM Director	1	80	\$57.10	\$4,600	Avg IM DIR rate; 20 hr to develop draft Dept policy, 40 hr consultations with Div DIR/Mgrs and Exec, 20 hr support in procedure development
IM Support Resource (IM Analyst)	1	80	\$30.98	\$2,500	Avg IM Analyst rate; same timeframe as DIR but will organize all meeting schedules and documents as required
Divisional Directors per Dept	12	20	\$57.10	\$14,200	Avg DIR rate; Avg of 12 Div/Dept; Avg 5 Mgr/DIR x 4 hr to review policies/develop&review procedures
Line of Business Managers/Supervisors per Dept	55	6	\$44.91	\$14,700	Avg Mgr rate; Avg of 55 Mgr/Dept x 4 hr meeting, 2 hr to review materials/procedures
ADM Review	1	7	\$78.58	\$600	Avg Exec rate; Avg 4 Branches/Dept x 4 hr of review, 3 hr of meetings
DM Review	1	4	\$78.58	\$300	Avg Exec rate; 2 hr of review, 2 hr of meetings
Cost/Department				\$36,900	
Costs - All Departments	20			\$738,000	
<b>Total Estimated Cost</b>				<b>\$811,800</b>	

Ongoing Policy and OIPC Audit Related Support and Management

Group	Estimated #	Est # Hrs Required	Est Avg Rate/Hr	Cost (rounded)	Notes/Assumptions
IM DIR	1	20	\$57.10	\$1,100	Avg IM DIR rate; 10 hr audit support/yr, 10 hr policy/procedure review, update, consultation
IM Support Resource (IM Analyst)	1	20	\$30.98	\$600	Avg IM Analyst rate; same timeframe as DIR but with more hands-on support to lines of business
Divisional Director per Dept	1	20	\$57.10	\$1,100	Avg DIR rate; 1 DIV director audited/yr; 10 hr audit support/yr, 10 hr policy/procedure review, update, consultation
Line of Business Managers/Supervisors per Dept	5	10	\$44.91	\$2,200	Avg Mgr rate; 5 Mgrs involved in audit/year; 5 hr audit support, 5 hr policy/procedure update
Employees	20	1	\$36.36	\$700	Avg Employee rate; 20 employees involved in audit/procedure update per year; 1 hr audit support or procedure update
Administrative Professionals	1	3	\$25.67	\$100	Avg Admin Prof rate; 3 hr audit support
ADMs	4	6	\$78.58	\$1,900	Avg Exec rate; Avg 4 Branches/Dept x 4 hr of review, 2 hr of meetings for both audit and policy/procedure update
DMs	1	4	\$78.58	\$300	Avg Exec rate; 2 hr of review, 2 hr of meetings for both audit and policy/procedure update
Cost/Department				\$8,000	
Costs - All Departments	20			\$160,000	
<b>Total Estimated Cost</b>				<b>\$176,000</b>	

Training & Awareness - Estimated Costs

Implementation

Group	Estimated #	Est # Hrs Required	Est Avg Rate/Hr	Cost (rounded)	Notes/Assumptions
IM DIR	1	30	\$57.10	\$1,700	Avg IM DIR rate; 10 hr TA Development for Dept and consultation, 10 hr for DIR/Executive consultation, support, 10 hr OCIO TA/Consultation
IM Support Resource (IM Analyst)	2	20	\$30.98	\$1,200	Avg IM Analyst rate; 5 hr CLD, OCIO training, 2 hr Dept policies/procedures, 10 hr Development of TA for Dept, 3 hr Exec support
IM Practitioners	3	17	\$30.39	\$1,600	Avg IM Practitioners rate; Avg 5 IM Pract/Dept x 5 hr CLD, OCIO training, 2 hr Dept policies/procedures, 10 hr TA to LOB
Divisional Directors per Dept	12	4	\$57.10	\$2,800	Avg DIR rate; Avg of 12 Div/Dep x 2hr CLD courses, 2hr to Dept policies/procedures
Line of Business Managers/Supervisors per Dept	55	4	\$44.91	\$9,800	Avg Mgr rate; Avg of 55 Mgr/Dept x 2hr CLD courses, 2hr to Dept policies/procedures
Employees (excluding those in other categories)	237	2	\$36.36	\$17,200	Avg Employee rate; Employees exclude those noted in other DTD activities; 1 hr CLD training, 1 hr Dept training
Administrative Professionals	66	2	\$25.67	\$3,400	Avg Admin Prof rate; Avg 66 Admin prof/dept; 1 hr CLD training, 1 hr Dept training
ADMs	4	2	\$78.58	\$600	Avg Exec rate; 1 hr CLD training, 1 hr Dept training
DMs	1	2	\$78.58	\$200	Avg Exec rate; 1 hr CLD training, 1 hr Dept training
Cost/Department				\$38,500	
Costs - All Departments	20			\$770,000	
<b>Total Estimated Cost</b>				<b>\$847,000</b>	

Ongoing

Group	Estimated #	Est # Hrs Required	Est Avg Rate/Hr	Cost (rounded)	Notes/Assumptions
IM DIR	1	7	\$57.10	\$400	Avg IM DIR rate; 5 hr CLD, OCIO training, 2 hr Dept policies/procedures (TA) activities
IM Support Resource (IM Analyst)	2	7	\$30.98	\$400	Avg IM Analyst rate; 5 hr CLD, OCIO training, 2 hr Dept policies/procedures (TA) activities
IM Practitioners	3	7	\$30.39	\$600	Avg IM Practitioners rate; Avg 5 IM Pract/Dep x 5 hr CLD, OCIO training, 2 hr Dept policies/procedures
Divisional Directors per Dept	12	4	\$57.10	\$2,800	Avg DIR rate; Avg of 12 Div/Dep x 2hr CLD courses, 2hr to Dept policies/procedures
Line of Business Managers/Supervisors per Dept	55	1	\$44.91	\$2,500	Avg Mgr rate; Avg of 55 Mgr/Dept x 1hr CLD, Dept policies/procedures
Employees (excluding those in other categories)	237	1	\$36.36	\$8,600	Avg Employee rate; Employees exclude those noted in other DTD activities; 1 hr CLD/Dept training
Administrative Professionals	66	1	\$25.67	\$1,700	Avg Admin Prof rate; Avg 66 Admin prof/dept; 1 hr CLD/Dept training
ADMs	4	1	\$78.58	\$300	Avg Exec rate; 1 hr CLD/Dept training
DMs	1	1	\$78.58	\$100	Avg Exec rate; 1 hr CLD/Dept training
Cost/Department				\$17,400	
Costs - All Departments	20			\$348,000	
<b>Total Estimated Cost</b>				<b>\$382,800</b>	



Staffing

Position	Estimated #	Est Avg Salary	Cost (rounded)	Notes/Assumptions
Electronic Content Management Coordinator - Executive Records	0	\$50,687	\$0	Avg ECM rate; 1 per Dept but allocation to be determined
IM Consultant - OCIO Support	0	\$72,821	\$0	Avg IM Consultant rate; oversee Dept DTD Resources, provide support/mentorship
Senior IM Analyst - Other Records	20	\$66,102	\$1,322,000	Avg Sr IM Analyst rate; 1 per Dept but allocation to be determined
<b>Total Estimated Cost</b>			<b>\$1,322,000</b>	

**Departmental Averages**

<b>Department</b>	<b>Headcount</b>	<b># Depts</b>	<b># Divisions</b>	<b>Avg Div/Dept</b>
DP Advanced Education & Skills	659	1	16	
DP BusTourismCulture&Rural Dev	425	1	15	
DP Child Youth&Family Services	655	1	3	
DP Education & Early Childhood	156	1	13	
DP Environment & Conservation	168	1	8	
DP Executive Council	686	1	23	
DP Finance	293	1	24	
DP Fish&Aquaculture	99	1	11	
DP Forestry & Agrifoods	358	1	12	
DP Government Purchasing	26	1	1	
DP Health	182	1	27	
DP Justice and Public Safety	1,523	1	22	
DP Labour Relations	29	1	2	
DP Legislative	133	1	8	
DP Municipal Affairs	199	1	13	
DP Natural Resources	167	1	8	
DP Public Service Commission	18	1	3	
DP SeniorsWellness&SocialDevel	73	1	5	
DP Service Newfoundland & Lab	438	1	17	
DP Transportation&Works	1,655	1	21	
<b>Grand Total</b>	<b>7,942</b>	<b>20</b>	<b>252</b>	<b>12.6</b>

CPS Active Employees-Government Department only

Data Date: August 12, 2016

Salaried Employees only

Job Function	Number of Employees	Average of Annual Salary	Avg rate/hr	Avg # Job Types/Dept
Judge	22	\$ 216,516.48	\$ 118.97	1
Clerical/Administrative	1,315	\$ 46,711.00	\$ 25.67	66
Director	249	\$ 103,927.98	\$ 57.10	12
Executive	96	\$ 143,008.72	\$ 78.58	5
Law Enforcement	696	\$ 73,872.85	\$ 40.59	35
Manager	1,093	\$ 81,743.90	\$ 44.91	55
Operations	985	\$ 50,071.69	\$ 27.51	49
Professional	2,087	\$ 71,143.47	\$ 39.09	104
Technical	937	\$ 50,663.87	\$ 27.84	47
Contractual	139	\$ 88,962.82	\$ 48.88	7
<b>Grand Total</b>	<b>7,619</b>	<b>\$ 66,175.58</b>	<b>\$ 36.36</b>	<b>381</b>
Hourly Employees	457			
<b>Total # of Employees</b>	<b>8,076</b>			

Data Source: CPS Report Confidential

**IM Resources**

<b>IM Position</b>	<b>Rate /hr</b>
*IM Technician I - CG 23	\$19.98
*IM Technician II - CG 27	\$23.07
*IM Technician III - CG - 34	\$28.78
*IM Analyst - CG 36	\$30.98
*Senior IM Analyst - CG 41	\$36.32
*ECM Coordinator - CG 33	\$27.85
**IM Consultant - HL 23	\$40.01
**Manager of IM Services - HL 21*	\$36.15
<b>Avg Rate/Hr</b>	\$30.39

<b>Step 3 Annual \$</b>	
\$42.83	\$77,950.60

\*Based on step 1 of the NAPE General Service Report - Salary as of April 15, 2015  
[http://www.exec.gov.nl.ca/exec/hrs/pdf/job\\_eval/nape\\_gen\\_serv.pdf](http://www.exec.gov.nl.ca/exec/hrs/pdf/job_eval/nape_gen_serv.pdf)

\*\*Based on the HAY Management Salary Pay Scales for this role effective to June 30, 2016