



## HIRT Contract SOW Response FY23-24 & FY24-25



The services are based upon the Scope of Work specified in the CONTRACT:

XXXXXX

COUNTY OF SAN DIEGO, OFFICE OF EMERGENCY SERVICES

AGREEMENT WITH XXXXX

FOR HAZARDOUS INCIDENT RESPONSE

EXHIBIT A – STATEMENT OF WORK

**Projected Costs:** The Department of Environmental Health and Quality (DEHQ) and City of San Diego Fire Rescue (SDFD) have calculated combined HIRT Cost Projected for: FY23-24 at \$2,660,487 and FY24-25 at \$2,861,934.

**Cost Reductions:** As in years past both DEHQ and the SDFD have taken action to mitigate costs to the member agencies. Combined cost reductions for FY23-24 = \$222,290 and FY 24-25 = \$237,500. Total cost reductions for contract periods FY23-24 & FY24-25 = \$459,790.

**Contract Funding Requests:** The combined Contract Funding Request for FY23-24 = \$2,438,196, and FY24-25 = \$2,624,434. The request reflects cost reductions mentioned above.

### DEH Comments:

- The DEH Cost Projections are based on full cost recovery with an Overhead Rate of 36%.
- From FY22-23 to FY23-24, overall costs are expected to increase by 12.1%, or \$139,966.
- From FY23-24 to FY24-25, overall costs are expected to increase by 6.1%, or \$78,397. Negotiated Salary & Benefit cost increases for FY 23-24, and FY 24-25 are known.
- There has not been an increase in DEHQ HIRT contract costs in a 3-year period. For FY20-21, FY21-22, and FY22-23 the DEHQ Contract remained at \$964,390.

Fiscal Year	DEH Contract Amount	DEH Cost Projected *	DEH Cost Increase from Prior Year	DEH Cost % Increase	Gap	DEH Amended Contract Funding Request
22-23	\$964,390	\$1,163,479			(\$199,089)	\$964,390
23-24	\$1,134,934	\$1,293,253	\$139,966	12.1	(\$158,318)	\$1,134,934
24-25	\$1,203,878	\$1,371,649	\$78,397	6.1	(\$167,771)	\$1,203,878

GAP Funding Explained- The Contract Funding requested by DEHQ reflects a Gap as compared to DEHQ projected costs. This GAP is the result of reduced OH costs, and Zone Training costs being billed to the HIRT Contract.

Fiscal Year	Total Gap	Overhead Rate Reduction	Zone Training Cost Reduction
23-24	(\$158,318)	(\$135,525)	(\$22,793)
24-25	(\$167,771)	(\$143,956)	(\$23,815)
Total	(\$326,089)	(\$279,481)	(\$46,608)

- In recent years, DEHQ invoiced a reduced Overhead Rate from 36% down to 20% and has used General Purpose Revenue (GPR) to offset the overhead costs. The difference DEHQ will continue to invoice at the reduced Overhead Rate of 20% for: FY23-24 \$135,525, and FY24-25 \$143,956, Total reduction to the HIRT contract \$279,481.
- Zone Training Costs- DEHQ projects Zone Training costs for; FY23/24 \$45,587, and FY24/25 \$47,630. DEHQ has reduced the reduced Zone Training costs to the HIRT Contract by 50%; FY23/24 \$22,793; FY24/25 \$23,815. Total savings over FY 23/24 & 24/25 is \$46,608. This reduction is provided for the inclusion of Hazardous Materials Business Plan (HMBP) training, during the Zone training.

Historical Billing by DEHQ- DEHQ bills for actual costs. In contract years FY19-20, FY20-21, and FY21-22 DEHQ billed \$297,792 less than the projected/approved contract cost. This has resulted in a \$297,792 balance increase of the HIRT Trust Fund Account.

Year	DEHQ Contract Amount	Amount DEHQ Billed	Difference
FY19-20	\$ 887,693	\$820,647	\$ 67,046
FY20-21	\$ 964,390	\$856,729	\$ 107,661
FY21-22	\$ 964,390	\$841,304	\$ 123,086
		Total	\$ 297,793

SDFD Comments

- The SDFD cost projections are based on full cost recovery with an overhead rate of 39.4%.
- From FY22-23 to FY23-24, overall costs are expected to increase by approximately 10.278%, or \$120,910.
- From FY23-24 to FY24-25, overall costs are expected to increase by 9%, or \$116,758. Negotiated Salary & Benefit cost increases for FY 23-24, and FY 24-25 are currently unknown.
- There has not been an increase in SDFD HIRT contract costs in a 3-year period. For FY20-21, FY21-22, and FY22-23 the SDFD Contract remained at \$1,176,398.
- Zone Training Costs - SDFD projects Zone Training costs for FY23-24 \$15,877 and FY24-25 \$17,306.

Fiscal Year	SDFD Contract Amount	SDFD Cost Projected *	SDFD Cost Increase from Prior Year	SDFD Cost % Increase	Gap	SDFD Amended Contract Funding Request
22-23	\$1,176,398	\$1,357,641			(181,243)	\$1,176,398
23-24	\$1,303,262	\$1,367,234	\$126,865	10.278	(\$63,972)	<b>\$1,303,262</b>
24-25	\$1,420,556	\$1,490,285	\$117,294	9	(\$69,729)	<b>\$1,420,556</b>