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Weatherization Program

Improvements needed to serve more clients
May 2006



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MEMORANDUM

Date: May 10, 2006

To: Diane Linn, Multnomah County Chair
Maria Rojo de Steffey, Commissioner, District 1
Serena Cruz Walsh, Commissioner, District 2
Lisa Naito, Commissioner, District 3
Lonnie Roberts, Commissioner, District 4

From: Suzanne Flynn, Multnomah County Auditor

Subject: Audit of Weatherization Program

The attached report covers our audit of the County's Weatherization Program in the Department of School and Community Partnerships. This audit was included in our FY05-06 Audit Schedule.

We compared the program to best practices and found both strengths and weaknesses. The County is a recognized leader in the State for its knowledge of weatherization technology. However, the program needs to improve project management so more services can be delivered and in a more efficient manner.

We have discussed our findings and recommendations with the management of School and Community Partnerships and the Energy Services Program. A formal follow-up to this audit will be scheduled within 1-2 years.

We would like to acknowledge and thank the management and staff in the Department of School and Community Partnerships for the cooperation and assistance extended to us.

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Summary

The mission of the County's Low Income Weatherization Program is to reduce energy costs for low income households by increasing energy efficiency and lowering fuel bills. Other objectives are to safeguard the health of those who live in the homes, increase the comfort of homes, and improve the affordable housing stock. In FY05 nearly \$3 million was spent by the program that has the equivalent of 5.5 full-time staff. The objective of the audit was to determine if the Program could improve its effectiveness with more careful selection and prioritization of clients and investment levels.

The audit compared the County's Weatherization Program to best practices and found both strengths and weaknesses. Program strengths include the use and understanding of advanced techniques to determine cost-effective weatherization measures and a team of contractors that have been working with the program for many years. Creative leadership and many years of staff experience have created a program with a reputation as a leader in its knowledge of weatherization measures and innovative weatherization practices. In fact, Multnomah County practices to address mobile homes and weatherization training have been adopted by the State for use across jurisdictions.

However, we found that the Programs lacked a clear strategy to ensure that the neediest are served. We found that the program's strategy is mostly passive with limited outreach efforts. While more active recruitment would possibly create longer waiting lists, it would also increase the likelihood that households with the greatest need were reached.

We also found that better project management practices such as scheduling and resource planning would place the Program in a better position to serve clients more efficiently and use resources more effectively. Currently the work needed to weatherize a house is scheduled one step at a time with one task not being completed until the other is completed and paid for. If work was scheduled simultaneously, full weatherization could be completed more quickly. The Program could also better use data reports to review the work completed and anticipate when new work could be scheduled.

In FY05 a rapid increase in funding could not be accommodated and an estimated \$267,000 originally allocated to the County was reallocated to other jurisdictions. We believe that the Program did not adequately plan for this increase and does not have the capacity to operate the program effectively. A State manager stated that the program is understaffed in

both in-house and contractors to perform the jobs. The County's contracting process also caused delays during the summer months as the new fiscal year began. These months are a key time for contractors to do County weatherization work.

The audit recommends improvements in five areas. The Program should:

- Develop a strategy and priorities to focus resources on the neediest people.
- Work with the County Contracting and County Attorney's Offices to improve contracting processes.
- Improve its staff and contractor capacity to better spend funds.
- Improve project management to complete projects more quickly and do more.
- Put the computer system on a secure and stable platform to ensure that it is available for use.

Background

Multnomah County's Low Income Weatherization Program, which began in 1984, operates within Energy Programs, in the Department of School and Community Partnerships (DSCP). The overall mission and goals are to increase energy efficiency in order to reduce energy costs for low income households by lowering fuel bills, particularly for the elderly, people with disabilities, and families with young children. Other objectives are to safeguard the health of these home dwellers, increase the comfort of homes and improve the affordable housing stock.

Federal money is distributed to the states which have the authority to run their own programs and establish their own rules. In Oregon, Oregon Housing and Community Services (OHCS) is responsible for oversight and monitoring of programs receiving federal funds and other money coming to the county through the state. The OHCS Weatherization Program contracts with local agencies such as Multnomah County to deliver services.

DSCP Organizational Chart

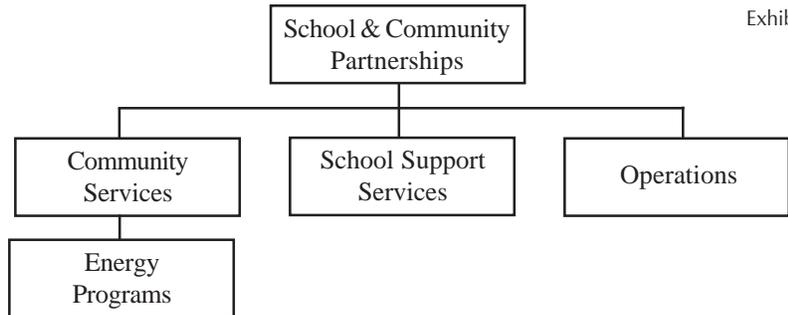


Exhibit 1

In FY05 nearly \$3 million was spent by the Weatherization Program. This represents a 65% increase over FY04 and more than double the FY01 level. It is important to note that some funds available in FY04 were not spent until FY05 resulting, in part, for the jump in spending in FY05.

Total Weatherization Program Spending FY01 to FY05 (adjusted for inflation)

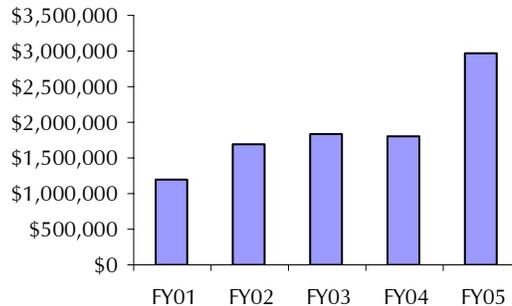


Exhibit 2

The Program has the equivalent of 5.5 full-time staff. Until the recent departure of two staff, four had been with the program since the early 1990s and had developed strong technical expertise over the years. One half-time position was added in FY04 to focus on weatherizing multi-family housing.

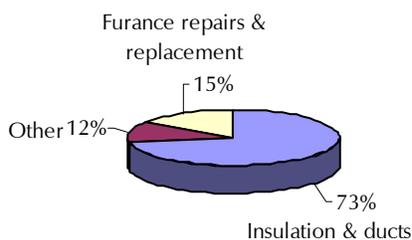
The money to pay for weatherization services comes primarily from federal sources and rate-payer fees collected by local utilities. More specifically, current funding sources include federal funding from the U.S. Department of Energy (DOE) and the Low Income Energy Assistance Program (LIEAP), rate-payer fees from local utilities called Public Purpose Charges (PPC), and a small amount of funding from the City of Portland for plumbing repairs. Federal funding and PPC money from electric utilities (ECHO funds) is allocated by the State to the County while money from other utilities comes in the form of rebates from NW Natural and the State for oil rebates.

Before a home is weatherized, an energy auditor visits the dwelling and conducts tests to determine the particular weatherization needs of each home. Weatherization services typically include furnace repair or replacement, ceiling, wall and floor insulation, plumbing repairs, duct sealing and related minor home repairs. Home repairs may be done to address health and safety problems or if needed to complete weatherization measures. The County uses private contractors to provide these services.

In FY04 and FY05 a total of 864 dwellings were weatherized, including 531 single-family homes and 16 multi-family projects (consisting of 323 units). The largest category of spending on contractor work went toward insulation and duct sealing (73%) while furnace repairs and replacements accounted for 15% and 12% for other work.

Contractor Spending
FY04 and FY05

Exhibit 3



Scope and Methodology

The audit objective was to determine if the County could improve its effectiveness in the Weatherization Program with more careful selection and prioritization of clients and investment levels.

We reviewed state and federal rules and regulations related to the Weatherization Program. We also reviewed budgets, organizational charts, policies and procedures, work plans and job descriptions for the Weatherization Program.

We interviewed the management and staff involved with the program. We talked with state managers from Oregon Housing and Community Services. Other jurisdictions were contacted to see how they administer their weatherization programs. We interviewed local weatherization experts including staff at PacifiCorp, the Energy Trust of Oregon, and NW Natural about weatherization programs and regional weatherization issues. We reviewed current research on best practices from Oak Ridge Laboratories and other organizations.

We selected a sample of 25 dwellings that had been weatherized during FY04 and FY05 to include in a case study of weatherization clients and were able to interview 11 clients, including four in-person interviews conducted in participants' homes. We reviewed energy usage data for 117 NW Natural customers who had received weatherization services and reviewed some electric usage. We also reviewed weatherization files of current and past clients.

We analyzed project data from the Weatherization Computer Software Program for projects with activity during FY04 and FY05 and reviewed associated accounting records.

This audit was included in our FY05-06 audit schedule and was conducted in accordance with generally accepted audit standards.

Results

The Multnomah County Weatherization Program is strong in some areas and weak in others when compared to best practices. Program strengths include the use and understanding of advanced techniques to determine cost-effective weatherization measures as well a team of contractors that have been with the program for many years.

Creative leadership and many years of staff experience have created a program with a reputation as a leader in its knowledge of weatherization measures and innovative weatherization practices. In fact, Multnomah County protocols to address mobile homes and weatherization training have been adopted by the State for use across jurisdictions.

The Program operates within the infrastructure of a large, multi-program public community action agency that has experience serving low income households. The benefit of such a framework is a depth of experience dealing with problems related to poverty and the ability to make referrals to a wide range of community services. We observed a high level of compassion and concern for clients from all staff.

Most contractors have been with the program many years and have been rated highly by clients. In our case study, all client comments related to contractors were positive. Contractors were often described as efficient and friendly and clients appreciated the thorough cleanup when the project was done.

- *“They treated me like I was paying for the work to be done.”*
- *“They were kind and mannerly. You couldn’t ask for a better crew.”*

We found Weatherization measures were effective in reducing energy usage in homes. We reviewed usage history on 117 customers of NW Natural and found a downward trend in usage after weatherization was completed.

- *“I compared bills and I noticed a difference....after the weatherization there was a significant drop in what we were paying.”*

Strategy needed to serve those with the highest need

With more than 58,000 Multnomah County households eligible for the program, there is a great need among low income residents for lower fuel bills and safer and more comfortable living conditions. At the rate the County is able to weatherize, we estimate it would take more than 100 years to serve all qualified households. Weatherization can make a big difference in the energy bills and the overall comfort level of these homes.

- An elderly client said - *“After the weatherization the house stayed warmer. It gets warm more quickly and stays warmer longer.”*
- One mother of young children said - *“You did more than I would have dreamed. You saved my house...I can't say enough about that program.”*

Because the need is great, it is important to develop a strategy to meet that need and improve the ability of the County to use all resources potentially available for the weatherization program.

We found that Multnomah County has a mostly passive recruitment strategy. For example, limited outreach and education is conducted at energy fairs, senior centers and mobile home communities and referrals are made through other agencies and social service organizations. In our case study we found that some find out about the program through word of mouth and in some cases contractors and service providers make referrals.

Program administrators say they do not actively recruit clients since the waiting list is ‘what they are able to do.’ It is the program’s opinion that a longer list would create expectations that could not be met for several years. However, without active recruitment the program cannot be assured that they are serving those with the highest need.

Multnomah County should consider a recruitment strategy that includes identifying houses and households with the greatest need. Energy burden, the proportion of a household’s monthly income that is spent on energy costs, is also used by some jurisdictions. Energy burden has increased recently due to dramatic increases in energy prices. Between 1999 and 2004, natural gas prices increased 94%; and between 1999 and 2003 residential electric prices increased by 23% and the cost of heating oil increased by 39%. Increased energy prices create a much greater impact on low income households than others. The Department of Energy estimates low income households spend approximately 14% of their total income on energy compared with 3.5% of other households.

Because cold houses can affect the health and welfare of the elderly, disabled and young children, they should be considered in the county’s recruitment strategy. Low income households may lower the heat to avoid high energy bills. Although the county does some recruitment at senior centers, a greater outreach effort is needed to target this vulnerable population.

- One elderly client noted, *“As I have gotten older, I need more heat to keep warm and [I] turn the thermostat up.”*
- One mother told us, *“The house is drafty and we use a space heater to keep the baby’s room warm.”*

Applications which have been received and are on the waiting list should be prioritized in keeping with the program’s overall strategy. Many jurisdictions we interviewed use a point system based on: high energy

usage, high energy burden and/or households with priority members. The Multnomah County program has a first come, first served policy for prioritizing applicants (except for emergency situations involving no heat). The program does give preference to homes heated with electricity in order to spend funds required to weatherize homes heated with electricity. The average wait for an energy audit was just over one month for an electrically heated home compared to four and one half months for a home with another heat source.

Outreach efforts should also reflect the County's program goal of improving the housing stock for low income households. If the County's goal is to improve the low income housing stock, it needs to determine what constitutes low income housing and develop a strategy to target that segment. We found other counties target mobile homes as a way to invest in the low income housing pool. Only 25% of the Program's resources go to mobile homes compared to 50-90% for many other weatherization programs in Oregon.

Client education program
needs strengthening

In the period we reviewed, Multnomah County did not have a strong client education program. The County Workplan (prepared for the state) stated the Multnomah County Program offered energy education, yet, we found little evidence or documentation of educational effort for the Weatherization Program.

Client education was generally limited to information provided by staff when an energy audit was conducted. Best practices encourage strong client education programs and other jurisdictions have strong educational components. One jurisdiction requires attendance in a program-sponsored Energy Education class while another has a staff member dedicated to in-home education. Other organizations offer post-weatherization instruction to help clients understand how to get the greatest benefit for the work done on their home. We recommend client education be strengthened and tied to a client recruitment program.

Better project
management would get
services to citizens
sooner

Professional project management practices include time management, scheduling and resource planning. Improvement in some of the project management processes would help the project scheduler, contractors and clients. The program would be in a better position to spend all of its money and possibly receive more as projects could be completed faster and total capacity managed more efficiently.

Exhibit 4

Current process	What would be better
<ul style="list-style-type: none"> Files placed in drawers in order, 1st come, 1st served 	<ul style="list-style-type: none"> Clients prioritized based on Weatherization Strategy
<ul style="list-style-type: none"> Few lists or reports are generated 	<ul style="list-style-type: none"> Reports are generated to aid in project management
<ul style="list-style-type: none"> Energy Auditors check the audit drawer and select the next file in line for an audit 	<ul style="list-style-type: none"> Energy Auditors are assigned work based on client priority and other funding issues
<ul style="list-style-type: none"> Work is scheduled sequentially without overall planning 	<ul style="list-style-type: none"> Work is scheduled according to an overall plan
<ul style="list-style-type: none"> Monitor quality of work but don't evaluate the process 	<ul style="list-style-type: none"> Evaluation of process including cost and time per job

Work should be scheduled systematically

Lack of systematic scheduling, inadequate planning and inability to fully use the Weatherization Computer Software Program, causes unnecessary delays in getting work completed and may be contributing to the inability of the Program to spend all of its available funding. If project work was scheduled more systematically, staff could exercise more control over project planning, anticipate upcoming work and determine resources needed to complete projects.

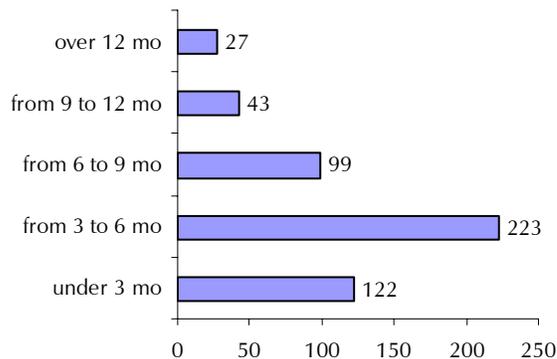
A large volume of work flows through the Weatherization Program. As of mid-November, 2005 there were:

- 154 applications waiting for an audit
- 272 work orders waiting to be issued
- 170 work orders in process

Dwellings typically have work orders for multiple activities, such as furnace repair, plumbing work and insulation. In FY04 and FY05, the average number of work orders per project was four and the average time from audit to project completion was five and one-half months, with some taking over a year

Time from audit to completion for single family homes FY04-FY05

Exhibit 5



Although applicant information and energy audit results are entered into the Weatherization Computer Software Program, the scheduling staff do not generate reports to provide an overview of the work being conducted or where applications are in the process. Rather than using an electronic system to manage the workflow, paper files are moved from drawer to drawer to track workflow.

As applications come in, they remain on the scheduler's desk until they can be reviewed and processed. Applications are entered into the Weatherization Computer Software Program where they are assigned a project number, and a paper file is created. If an applicant has no heat, the file is placed in the "emergency drawer" and a furnace check is scheduled. Otherwise, the project is filed in the "to be audited drawer." Once the energy audit is complete, the project is usually filed in the "specialty work" drawer and when specialty work is completed, the file is moved to the "major measure" drawer where it stays until project completion. The constant handling and movement of files is inefficient and slows down the scheduling process. Also files can be misplaced or lost in the system.

Usually, multiple work orders for a project are scheduled sequentially rather than simultaneously, lengthening the time from energy audit to project completion. Example of sequential scheduling of multiple work orders for one project:

- ⇓ Work order # 1 is issued
- ⇓ Work order # 1 is completed and billed by contractor
- ⇓ Invoice is received and work is inspected for work order # 1
- ⇓ File is moved to another drawer
- ⇓ Work order #2 is issued, etc.

Sequential scheduling not only lengthens the time for project completion, it limits the ability of the staff to control the work because the scheduler doesn't know when the invoice will come in. With this system, the more work orders a project has, the less predictable the timeline. A planned approach that scheduled work simultaneously would help to shorten the time from audit to project completion, and identify the level of needed contractor capacity. A central filing system combined with effective use of the Weatherization Computer Software Program would simplify the process and reduce the need to handle files multiple times.

Workload can be better anticipated

Although staff has said work is not predictable, with careful planning workloads can be estimated and anticipated. Work can be distributed to contractors on a more predictable basis.

The energy audit specifies the amount of insulation and specialty work needed for a project. Starting with the energy audit and anticipated work orders, overall workload can be estimated by considering all projects in the system. The Program should be able to use the information on an ongoing basis to predict the volume of contractor capacity needed. If

contractors are not able to meet the need, additional contractors may be needed to enable the program to use all available funding.

Although overall scheduling depends on client cooperation, contractor availability, staff available for inspection, and the unique variables of each house, professional project management would factor in those variables.

Some staff may lack the expertise and training needed to make all scheduling decisions and may not always know whether specific work needs to be completed before other work can be started. However, the energy auditor or inspector should be able to determine if some work needs to be completed before other work can be started. With the increased workload resulting from increased funding, the responsibility for scheduling and monitoring of contractors needs to be realigned.

Ineffective planning and contracting processes resulted in loss of funds

In FY05, rapid increases in program funding could not be accommodated and an estimated \$267,000 in ECHO funds originally allocated to Multnomah County were reallocated to other jurisdictions. Part of the increase came from ECHO funds, which were required to be spent by the end of the two-year allocation period. These funds were collected from Multnomah County citizens as a public purpose charge on their utility bill and could have been spent to weatherize low income households in Multnomah County.

Due to the inability of the program to spend the full allocation, ECHO funds for the following two-year period were reduced by 18%. Further, additional ECHO money was available. Had the program been able to spend its full allocation in FY04 and FY05, it could have applied for an increase. Contractor capacity and the County contracting process caused delays that contributed to the loss of funds.

Funding might have been preserved if the need for greater capacity had been anticipated through adequate planning and an understanding of contractor capacity. Contractors were unable to keep up with work orders and by early spring of 2005, the county had not used all of its ECHO allotment. Since the program had two years to spend the ECHO allotments, managers knew well in advance of the potential loss of funds and should have secured contractor capacity to complete weatherization projects. It is unclear whether contractors were aware of this. Had contractors known work would be forfeited, they might have found a way to meet the need.

The weatherization program does not have the capacity to operate the program effectively. The state manager said that the program is understaffed in both in-house and contractor staff. While other jurisdictions increased their staff two-fold and three-fold and increased the number of contractors to respond to the ECHO funding, Multnomah County increased staff .5 FTE for multi-family projects. Program managers report that it has been difficult to hire additional contractors. The program may want to consider in-house crews as an option to hiring additional contractors. Two jurisdictions that have been able to respond to increased funding have in-house crews that do insulation work. Multnomah County should be spending their full allocation and requesting more money.

The County contracting process also caused delays which may have contributed to weatherization dollars lost to other counties. Contracts expire at the end of June and must be renewed before work orders can be issued for the new fiscal year. The contract approval process may take two to three months and work orders cannot be issued during that time, leaving applications and work to pile up while waiting for contract approval. Although the contract process is complex and involves many staff and many departments, losing three months of work time due to contract approval creates an enormous obstacle for this program.

In two of the three years we studied (FY04 and FY06), very few work orders were issued during the months of July, August and September. These months are a key time for contractors to do county weatherization work due to better weather conditions and increased availability. Contractors have less work from the private sector during the warmer months. During this time, contractors were forced to lay off staff due to lack of work.

Abundance of data available but needs to be used

The Weatherization Program does not take advantage of data to make decisions about program direction for day-to-day operations or for strategic program planning. The Weatherization Computer Software Program is a critical tool. It is not fully utilized and is at risk because it is written with outdated software. The Program is a complex integration of information including:

- Household demographic data from the client application
- Dwelling characteristics and data from the energy audit and list of work to be done
- Calculation of lowest bid from contractor database and issue of contractor work orders along with pricing and cost for each work order
- Project management information with start and completed dates for energy audits and work orders
- Monitoring and allocation funding sources

We analyzed the data tables from this system which allowed us to calculate the cost for weatherizing dwellings and to determine household and dwelling demographics and weatherization work completed. This rich supply of historical information based on weatherizing thousands of homes over the years could also be used for evaluating program performance and planning for the future.

Recommendations

- I. Because the unmet need is great, the program should focus its limited resources on the neediest people. To better focus resources, the Program should:
 - A. Develop strategies and set priorities to meet program goals.
 - B. Actively recruit low income households based on the programs stated strategy and goals.
 - C. Manage the waiting list based on the strategy and goals of the program.

- II. To improve the contracting process so work can continue year round without three-month interruptions, the Program should work with the County's Contracting office and County Attorney's office to expedite contracts.

- III. In order to spend available funds and take advantage of opportunities to increase funding, the program needs to address need for increased capacity.
 - A. Consider adding both staff and contractors.
 - B. Investigate alternative forms of program delivery.

- IV. Improve project management to increase the ability to complete projects more quickly and to do more projects.
 - A. Manage all projects in the pipeline rather than one project at a time.
 - B. Utilize and improve existing computer system's capabilities for file management and reporting both internally and with contractors.
 - C. Realign project management duties among staff or add a professional project manager position.
 - D. Improve costing reports and verify financial cost data in the computer system to SAP program data.

- V. Put the computer system on a secure and stable platform which will maintain its history and allow for enhancements.

Responses



Diane M. Linn, Multnomah County Chair

MEMORANDUM

TO : Suzanne Flynn, Multnomah County Auditor
FROM: Diane Linn, Multnomah County Chair
DATE : May 9, 2006
RE : Energy Services Audit

Thank you for allowing me the opportunity to review the results of your recent audit of the Weatherization Program. I appreciate the recognition of the good work and your assistance in strengthening and improving the Program.

I have reviewed your recommendations with the Department of School and Community Partnerships. Attached is the Department's response to those recommendations. They are confident the action steps they propose will adequately address the issues you have raised. I support their proposal to come back to the Board in the next 90 days with a progress report and further recommendations for the Board's review. Based upon my discussion with the Department, I am confident the County will be able to implement many of the recommendations to increase the efficiency and performance of this important program.

Please let me know if you need anything further from my office of the Department. Thank you again for your work

MEMORANDUM

TO: Diane Linn, Chair
Maria Rojo de Steffey, Commissioner
Serena Cruz Walsh, Commissioner
Lisa Naito, Commissioner
Lonnie Roberts, Commissioner
Multnomah County Board of Commissioners

Suzanne Flynn, County Auditor

FROM: Lorenzo T. Poe, Jr., Director
Department of School and Community Partnerships

SUBJECT: Energy Services Audit Response

DATE: April 27, 2006

Thank you for the invitation to respond to the Energy Services Audit. The Department of School and Community Partnerships (DSCP) appreciates your thorough examination of the Weatherization Program and the opportunity to improve this valuable service to the community.

We especially appreciate the acknowledgement of the high quality work that has been and is being provided to the community by the Weatherization Program.

Before responding to the specific recommendations in the Audit, I want to address two issues.

The issue of under spending of new ECHO funds has been an on-going concern for the Department. It has also been an issue statewide. The reason there are additional funds to be accessed is that a number of other counties across the State have also had challenges in implementing the new program. The County's strategy of focusing on multi-family dwellings with 10-year affordability requirements attached to the deed of the property is an innovative one that required a significant amount of program development before being marketed.

The Department underestimated both the programmatic and contractor capacity necessary in getting such an ambitious program up and running.

We believe we now have the right combination of staffing and knowledge about the program to be on track to fully spend out all ECHO funds allocated to the County. We anticipate with the changes we will make as a result of this Audit's recommendations that we may well be in the position to request additional funds in the next biennium.

The issue of total number of contractors continues to be a challenge. The potential pool of contractors to do this type of work is relatively small to begin with. In fact, Clark, Washington, and Yamhill counties all use Multnomah County contractors because the lack of vendors in their own areas. When the standards and expertise required to perform this work is combined with the amount the County is able to pay for that work is factored in, the current shortage of available contractors exists.

When doing our most recent outreach to add contractors for the multi-family program, we were able to select one new contractor. We are hopeful that the efforts of the Energy Trust of Oregon and others in the field are beginning to pay off in terms of developing potential new contractors. We anticipate that when the next competitive bid process is conducted that the Department will be able to increase the number of contractors working with the County.

Recommendations

- I. Because unmet need is great, the program should focus its limited resources on the neediest people. To better focus resources, the Program should:
 - A. Develop strategy and set priorities to meet program goals.
 - B. Actively recruit low income households based on the programs stated strategy and goals.
 - C. Manage waiting list based on the strategy and goals of the program.

DSCP Response

The Department will return to the Board within 90 days with a set of recommendations to prioritize Weatherization Program resources. Included in this set of recommendations will be an analysis of the current waiting list and proposed recruitment strategy for the coming fiscal year, based upon recommended priorities.

- II. To improve the contracting process so work can continue year round without three-month interruptions, the Program should work with the County's contracting office and County Attorney's office to expedite contracts.

DSCP Response

The Department plans to make a number of changes to current practice to allow the release of work as soon as possible on July 1st. We will work with CPCA and County Attorney to ensure that these changes do not create unreasonable risk for the County.

- III. In order to spend available funds and take advantage of opportunities to increase funding, the program needs to address increased capacity issues.
 - A. Consider adding both staff and contractors.
 - B. Investigate alternative forms of program delivery.

DSCP Response

The Department is reviewing and realigning current job responsibilities in response to issue raised in the Audit, such as increasing client education activities. In addition,

program service dollars will be utilized to create the recommended project manager position recommended.

As the challenges connected to increasing the number of qualified contractors are regional and statewide ones, we will continue to explore ways, at a statewide level, to mitigate the barriers affecting the availability of contractors.

Finally, the Program has operated in house work crews in the past. A new analysis of the potential advantages and disadvantages to returning to this model will be explored, along with the potential for an innovative, fee-for-service component to be added to the Program.

- IV. Improve project management to facilitate the ability to complete projects more quickly and to do more projects.
 - A. Manage all projects in the pipeline rather than one project at a time.
 - B. Utilize and improve existing computer system's capabilities for file management and reporting both internally and with contractors.
 - C. Realign project management duties among staff or add a professional project manager position.
 - D. Improve costing reports and verify financial cost data in the computer system to SAP program data.

DSCP Response

While the Department is proud that 67% of all jobs are completed within 6 months, we recognize that this rate can be increased. As stated above, the Department is currently realigning job responsibilities to respond to these recommendations, as well as creating a project manager position to better oversee the flow of work at a system level. We expect that these changes will result in increased workload and enhanced system oversight. The anticipated implementation date for this position will be September 30, 2006.

- V. Put the computer system on a secure and stable platform which will maintain its history and allow for enhancements.

DSCP Response

The Department has already had a number of conversations with IT about moving the current database onto a more secure platform. The scope of work required to make this project happen will be included in the Service Level Agreement (SLA) negotiated for FY 07.

- C: Mary Li, Manager
Kathy Tinkle, Manager