

Attachment 1 - Cost of Service Market Analysis

Permit / Fee	Ref. Number	(A)	(B)	(B-A)	City of Phoenix	City of Scottsdale	City of Peoria
		Current City of Mesa Fee Amount	DPFG Cost Analysis (Rounded)	Difference			
Flow Testing - Base Hourly Fee	2	\$ 75	\$ 97	\$ 22	\$ 150	\$ 159	\$ 100
Material Testing	Ref. Number	Current City of Mesa Fee Amount	Materials Lab Cost Per Hour	Difference	City of Phoenix	City of Scottsdale	City of Peoria
Total Cost of Materials Lab	4.1	N/A	\$ 216	N/A		-	-
Current Fee	4.2	N/A		-	\$ 240	-	-

Materials Lab Testing - Cost of Service Analysis

Employee/Staff Level	How Received	Description of Tasks	Who it Goes to After	Hourly Rate (1)	Estimated Hours for Task (2)	Total
<u>Engineering Department</u>						
Chief Materials Tech	Development Services	Supervising process. On some occasions Tech will go to site to observe process of construction (laying asphalt/concrete) to confirm proper procedure; other times he will supervise the laboratory procedure.	Engineering / Inspections	\$ 35.00	0.5	\$ 17.50
Senior Materials Tech	Engineering / Inspections	Travel to/from the site, obtain sample, test sample.	DIMES / End Task	\$ 34.00	1.5	\$ 51.00
Materials Tech I	-	Testing sample.		\$ 28.00	2.0	\$ 56.00
<i>Subtotal</i>						\$ 124.50
Indirect Costs Total (3)						\$ 740.00
Materials Total						4.0 Hours \$ 864.50
						Per 1.0 Hour \$ 216.13

Footnotes:

1. Based on Fees and Charges position Titles & Salary Ranges; per email from City of Mesa dated October 10, 2017
2. Per interview with staff on September 27, 2017.
3. Per four-hour rate from laboratory overhead costs calculated on Materials Overhead Sheet (Attached).

Materials Lab Overhead Analysis

Materials Lab Cost Analysis	FY 17-18	Per Hour
Indirect Costs		
Lab Equipment(1)(15 Yr Life Cycle):	@ \$183,241.00 / 15 Years	\$ 12,216 \$ 6.00
Fleet Vehicle(2):	@ \$2,625 per Vehicle x 2	\$ 5,250 \$ 3.00
Yearly Cetification(ARML/AASHTO)(3):	\$	3,000 \$ 1.00
Yearly Prof. Testing(ARML/AASHTO)(3):	\$	1,000 \$ 0.50
Expendables(3):	\$	5,200 \$ 3.00
Non-CIP Material Testing(4):	\$	160,000 \$ 77.00
Contract Employees(5):	@(\$97,798 annually per person x 4) * (50%)	\$ 195,596 \$ 94.00
Indirect Costs Total	\$ 382,262	\$185 per Hour
	65% of Overhead(6):	\$120 per Hour

Footnotes

1. Based on City of Mesa "Lab Equipment Inventory"
2. Based on City of Mesa "Vehicle List Average Cost"
3. Based on City of Mesa "5-Year Lab Cost Review"
4. Based on "50% of Contract Expenditures from 1/15/17 - 10/15/2017"
5. Based on City of Mesa "Mat Lab Contract Info"; Includes vehicle miles expense; Accounts for Lab testing activities associated with Development; No CIP
6. Based on City of Mesa interviews conducted on September 27, 2017

Flow Testing Fee Analysis

Employee/Staff Level	How Received	Description of Tasks	Who it Goes to After	Hourly Rate (1)	Estimated Hours for Task (2)	Total
<u>Engineering Department</u>						
Construction Inspector I	Applicant / Begin Task	Receive phone call from client requesting an inspection, drive to hydrant location and test (.25 hrs), return to office (1.25 hours drive time). Inspections are pass/fail.	DIMES - End Task	\$ 48.00	1.50	\$ 72.00
Indirect Costs @ 12.4%						\$ 9.00
Engineering Department Total						\$ 81.00
<u>Development Services Department</u>						
Permits Technician II	DIMES -DSD	Application Review	Engineering - Inspections / ROW	\$ 28.00	0.50	\$ 14.00
Indirect Costs @ 12.4%						\$ 2.00
Development ServicesTotal						\$ 16.00
Total					2.0 Hours	\$ 97.00

1. Based on Fees and Charges position Titles & Salary Ranges; per email from City of Mesa dated October 10, 2017.

2. Per interview with staff on September 27, 2017.

3. Summary of department costs