



BAY AREA  
AIR QUALITY  
MANAGEMENT  
DISTRICT

**AGENDA: 5**

# **Update on the Air District's Management Audit Responses**

**Finance and Administration Committee Meeting  
May 15, 2024**

**John Chiladakis**  
**Deputy Air Pollution Control Officer**  
**Chief Technology Officer**  
**[jchiladakis@baaqmd.gov](mailto:jchiladakis@baaqmd.gov)**

**Hyacinth Hinojosa**  
**Deputy Executive Officer**  
**Finance and Administration**  
**[hhinojosa@baaqmd.gov](mailto:hhinojosa@baaqmd.gov)**

# Management Audit Status Agenda



Staff will present an update on the corrective actions taken in response to the Air District's Management Audit in Human Resources and My Air Online.

- Human Resources Corrective Action Plan Update
- My Air Online (Enterprise Technology Solutions) Update
- Status of Completed Audits

# Human Resources Corrective Action Plan Status



Complete	Audit #	Planned Action
✓	1.1	Establish policy and procedures and implement controls that require board action and the Chair of the Board to authorize by signature the salary for individuals acting in Board appointed positions
✓	1.2	Present compensation plan to the Board and removal of benefits from the administrative code. RFQ to engage services for Administrative Code update
✓	1.3	Staff will consult with District Counsel regarding the potential for recovering acting pay provided to non-represented employees in conflict with the Administrative Code
✓	1.4	Initiate RFQ for outside services to conduct an independent review and documentation of FLSA status for every position. Seek EA and Board approval
✓	1.5	Short Term – Staff will develop management policy that requires completion of timely and accurate performance evaluations Long Term Staff will engage with Employees association to develop RFQ for services to overhaul the performance evaluation system
✓	1.6	In consultation with the Board of Directors, Initiate RFQ for service to facilitate strategic planning for the agency, strategic planning for HR and setting of compensation philosophy as part of the HR strategic plan
Estimated Completion Date: 12/2024	1.7	In consultation with the Board of Directors, develop compensation plan and maintenance protocols consistent with the overall strategic plan
✓	1.8	The Executive Officer sent a memo to all staff on 12/19/2022, establishing a new policy with default “Needs Improvement” rating for not completing evaluations when probation or salary increases are due
✓	1.9	Develop Board direct reports succession resolution for Board authorization

# Human Resources Corrective Action Plan Status (cont.)



Complete	Audit #	Planned Action
✓	2.1a	Staff will develop governing policy and Administrative Operating Procedures (AOP) to assure proper controls listed in the recommendations.
✓	2.1b	Staff will include controls in the policy and procedures established under 2.1.a that require signature of finance division director or designee
✓	2.2	Staff will include the steps recommended in 2.2 into the annual budget process. Create an AOP for mid-year personnel budget adjustments
✓	2.3	Staff will include the steps recommended in 2.2 into an AOP for position status changes.
✓	2.4	Staff will initiate a procurement for outside services to conduct an independent classification study that includes the scope listed under recommendation 2.4
✓	2.5	Staff will include the steps recommended in 2.5 into an Administrative Operating Procedure for position status changes.

# Human Resources Corrective Action Plan Status (cont.)



Complete	Audit #	Planned Action
✓	3.1 a,b,c	Staff will develop and implement policy and Administrative Operating Procedure (AOP) to for the governance of paper and electronic records in accordance with audit recommendations 3.1, secretary of state guidelines and the District's Administrative Code requirements.
✓	3.2	Legal staff will review records retention schedule and draft updates for board approval.
✓	3.3	Staff will obtain a list of currently authorized personnel for the Human Resources file room from building security, assure that list conforms to need to know, and create Policy and AOP for maintaining that list.
✓	3.4	In consultation with the Board of Directors, Initiate RFQ for service to facilitate strategic planning for the agency, strategic planning for HR and setting of compensation philosophy as part of the HR strategic plan.
✓	3.5	Staff will initiate a procurement for services to conduct an independent review and recommendations for all HR policy and AOP updates.
Estimated Completion Date: 12/2024	3.6	Staff will develop and implement policy and Administrative Operating Procedure (AOP) for the governance of background checks to include the recommendations in section 3.6 of the HR Audit Report.
✓	3.7	Staff will migrate resources and tasks from Human Resources Division to Financial Resources Division in consultation with the employees responsible for the activities.
✓	3.8	Staff will migrate resources and tasks from Human Resources Division to Information Services Division in consultation with the employees responsible for the activities.

# Human Resources Corrective Action Plan Estimated Timeline



	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025
Classification & Compensation Study (Audit # 1.7)						
Revise and update Division III of the Administrative Code: Personnel Policies and Procedures (Audit # 3.6)						



## Project to decommission legacy computer systems that support permitting and enforcement operations

- Project started in 2007 – 17 years ago with goal of decommissioning legacy computer systems
- Operating with three systems since 2012 (My Air Online and two legacy systems one from the 1970s and one from 1999)
- New project team May 2023
- Audit recommendations presented to Finance and Admin committee in October 2023
- Auditor noted most of the recommendations were already underway
- Staff committed to decommissioning both legacy computer systems before April 1, 2024

# Audit Recommendation Status



- 1) Increase project transparency and establish project governance
  - Assign IT project oversight to the Chief Technology Officer - **Complete**
  - Project oversight by a Board Committee - **Complete**
- 2) Implement leading project management practices
  - Implement standardized project management framework – **Complete**
  - Implement standardized contract and vendor management - **Complete**
- 3) Evaluate vendor lock-in and complete knowledge transfer
  - Document system design - **In Progress**
  - Onboard or train staff with expertise necessary to maintain the system - **In Progress**

# Celebrating the Decommissioning of Both Legacy Systems



1977

1999

2012

2023

2024



Databank – HP 3000

```

#showaaa
USER: #S7.MANAGER.SYS.PUB (NOT IN BREAK)
RELEASE: C.75.00 MPE/1X HP31000 C.45.05 USER VERSION: C.75.00
CURRENT: FRI, SEP 6, 2013, 11:31 AM
LOGON: FRI, SEP 6, 2013, 10:19 AM
CPU SECONDS: 1 CONNECT MINUTES: 72
#STDIN LOEV: 2 #STDLIST LOEV: 2
!showjob

JOBNUM STATE IPRI JIN JLIST INTRODUCED JOB NAME
#S1 EXEC 20 20 FRI 0-00A OPERATOR.SYS
#S2 EXEC 100 LP FRI 0-00A JINETO.MANAGER.SYS
#S7 EXEC 2 2 FRI 10-19A MANAGER.SYS

3 JOBS:
0 INTRO
0 WAIT; INCL 0 DEFERRED
3 EXEC; INCL 2 SESSIONS
0 SUSP
JOBLENCE= 1; JLIMIT= 0; SLIMIT= 0
    
```



IRIS – HP 9000 Enforcement Operations



Deskside HP 3000 minicomputers from Hewlett-Packard Company, such as the System 932, are ideal for today's office or lab environments because they offer high performance and data-storage capacity in a compact package. (PRNS4700001)



Decommissioned  
January 2024



# Cost Savings from Decommissioning

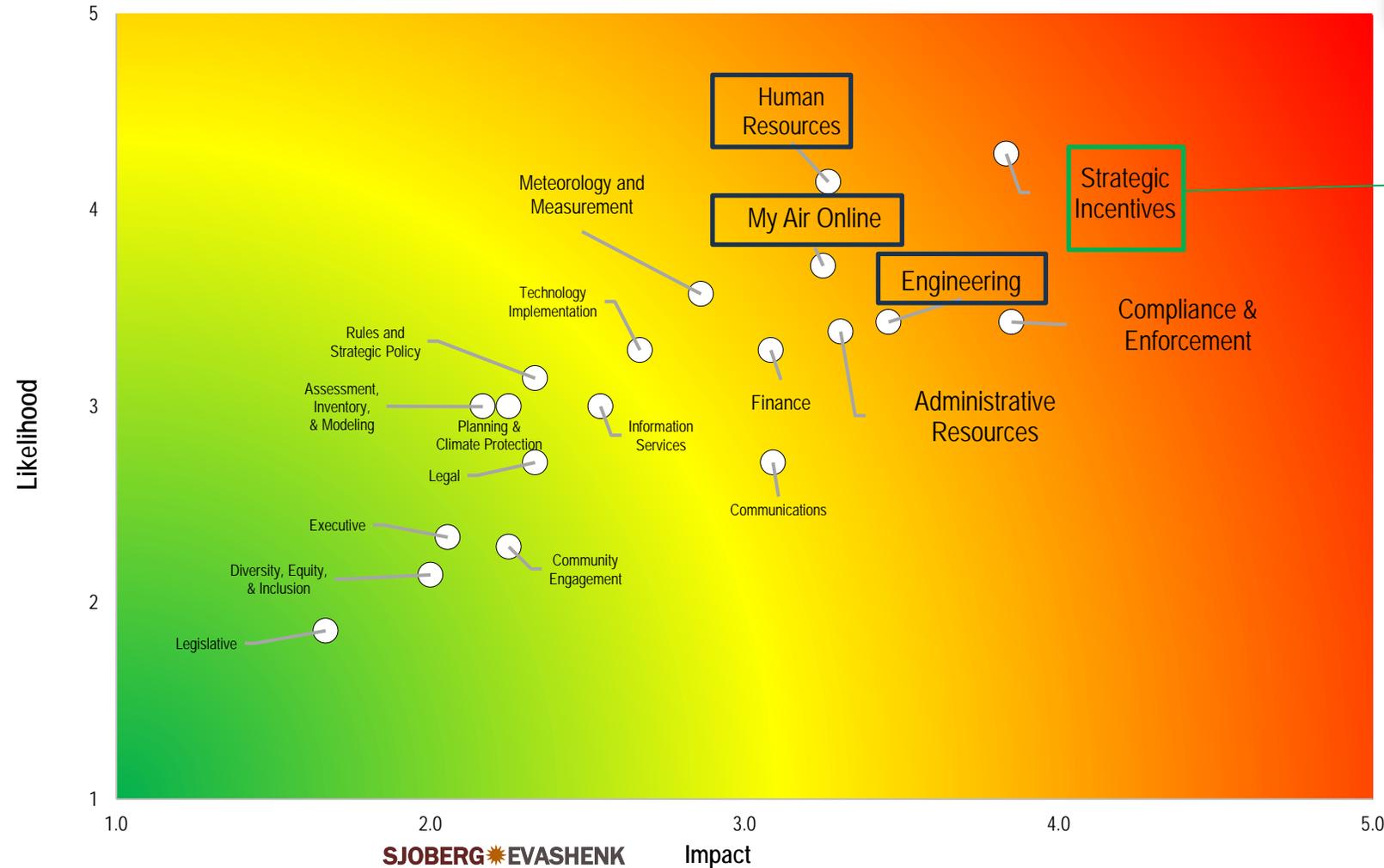


- 7 FTEs ~ \$1.4M Fully Burdened
- \$400,000/Year Services and Supplies
- Total Savings \$1.8M/Year

# Completed Audits



## Air District-wide Risk Ratings



Programmatic Audit in progress by CARB

- Other divisions/programs are in various stages of assessment and transition under new Deputy EO team
- Recommendation: Pause external management audits allowing time for internal assessments and Strategic Plan implementation planning

# Recommended Action



- None.



BAY AREA  
AIR QUALITY  
MANAGEMENT  
DISTRICT

**AGENDA: 6**

# **My Air Online Status Update and Authorization to Execute Contract Amendments**

**Finance and Administration Committee  
May 15, 2024**

**John Chiladakis  
Deputy Air Pollution Control Officer  
Chief Technology Officer  
[jchiladakis@baaqmd.gov](mailto:jchiladakis@baaqmd.gov)**

# Presentation Outline



- My Air Online Recap
- Project Costs
- Planned Functionality
- Funding Request

# My Air Online Project- Recap



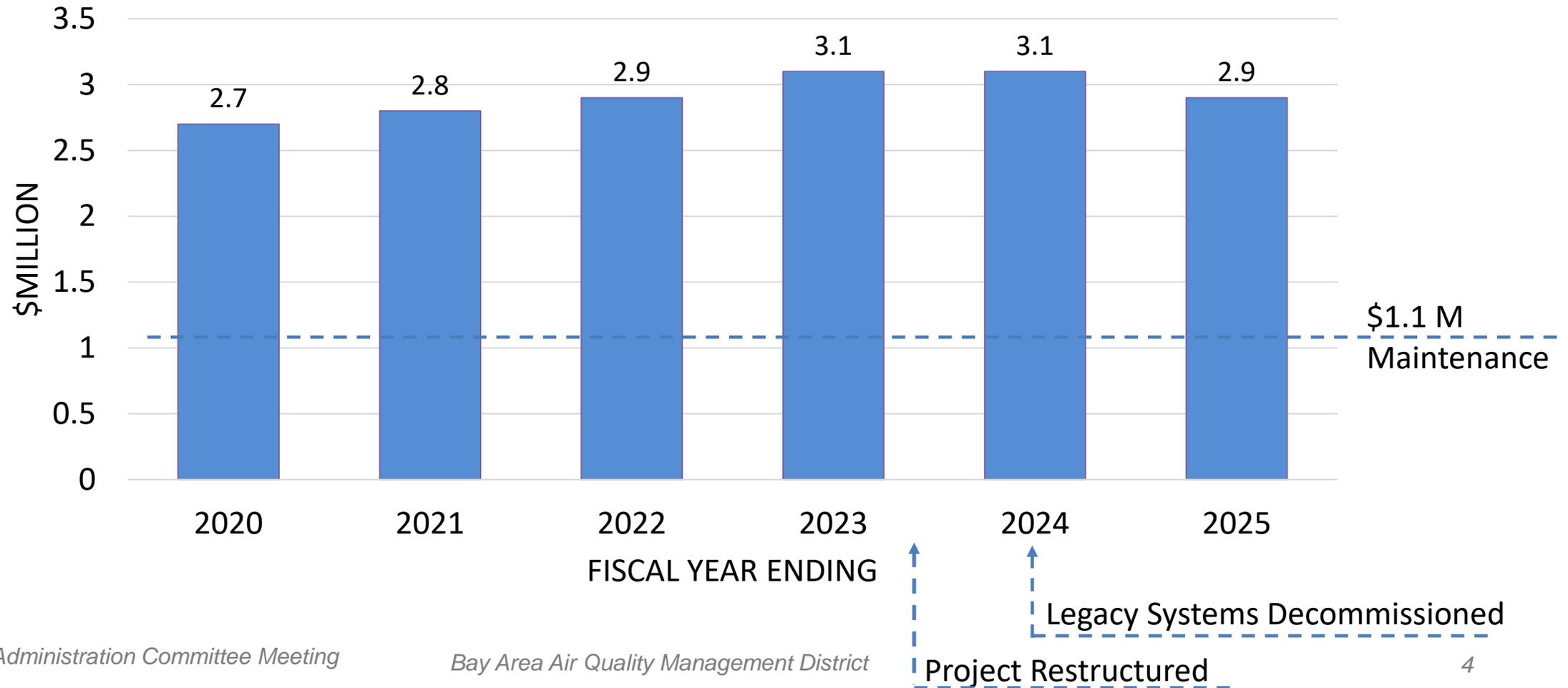
Project to decommission legacy computer systems that support permitting and enforcement operations

- Project started in 2007 – 17 years ago with a goal of decommissioning legacy computer systems
- Operating with three systems since 2012 (My Air Online and two legacy systems one from the 1970s and one from 1999)
- New project team May 2023
- Both legacy systems decommissioned in January 2024

# Past and Projected Costs for Maintenance and Development



## Annual Maintenance and New Development Costs



# Cost Savings from Legacy System Decommissioning

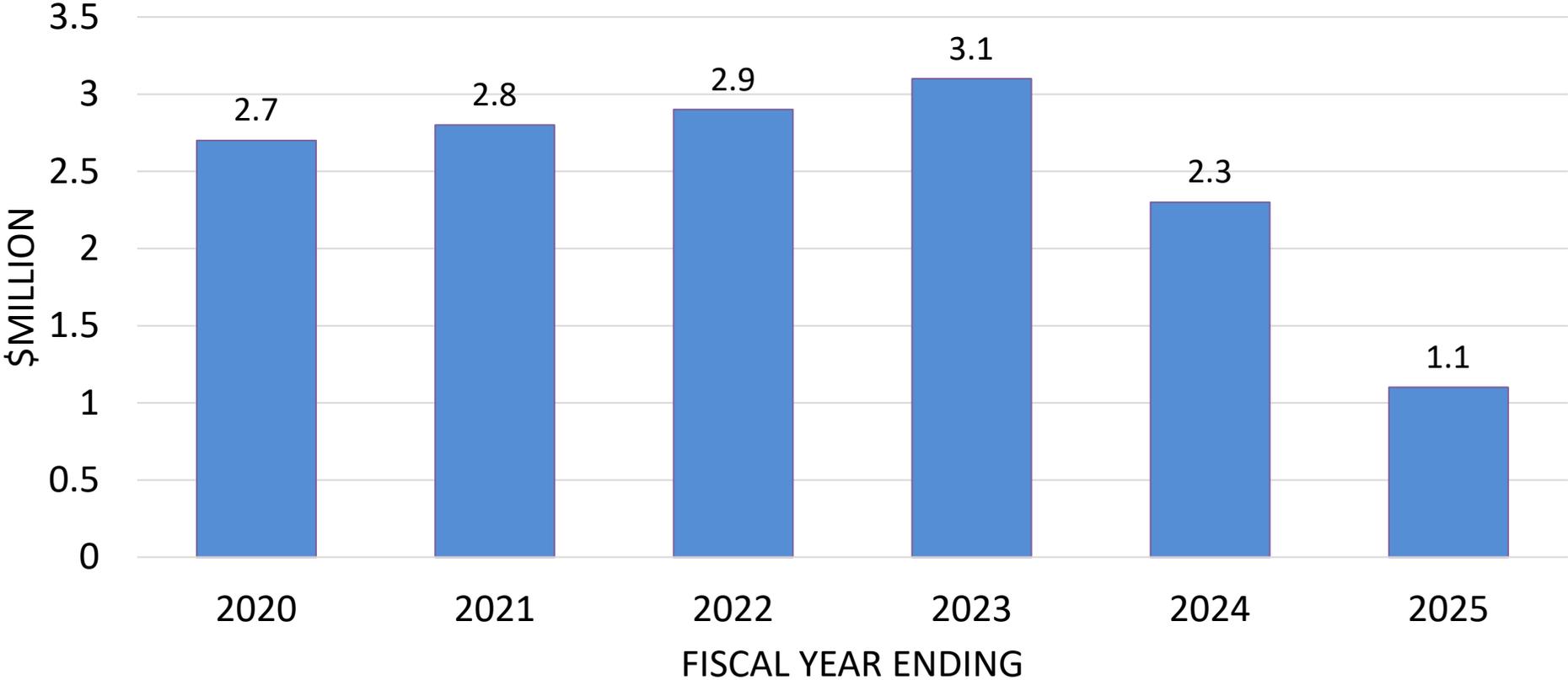


- 7 FTEs ~ \$1.4M Fully Burdened
- \$400,000/Year Services
- Total Savings \$1.8M/Year

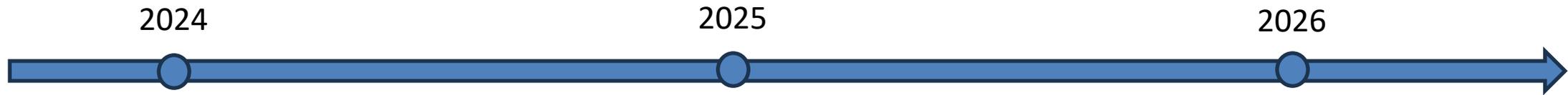
# Past and Projected Costs with Decommissioning Savings



My Air Online – Annual Costs with Decommissioning Savings



# My Air Online – Enterprise Technology Solutions



## FYE 2024

- **Legacy Decommissioning**
- **Transition and Performance Enhancements**
- **Legal Department Integration**

## FYE 2025

- **New Competitive Procurement**
- **Enforcement and Permitting Enhancements**
- **Full Documentation / Knowledge Transfer**
- **Resiliency and Security Enhancements**
- **Integrate Strategic Planning Community Facing Transparency**

## FYE 2026

- **Updates and Maintenance**
- **Efficiency Enhancements**
- **Community Facing Applications**

# My Air Online – Enterprise Technology Solutions FYE 25



- Coordinate with community to develop technologies that provide transparency in permitting and compliance
- Provide systems to report business metrics that identify bottlenecks
- Provide an interface that clearly identifies permit application status for external and internal stakeholders
- Enhance status reporting for engineering, legal and compliance workflows
- Provide geographical maps on the website with emissions information

# Examples of Features in My Air Online Applying for a permit



**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
PERMIT APPLICATION

76 GAS STATION #111211 #701174

← BACK TO CUSTOMER PORTAL / **GASOLINE DISPENSING OPERATION FORM**

1 GENERAL   2 DEVICES   3 ESTIMATED EMISSIONS   4 EVALUATION INFO   5 CONDITIONS & REGULATIONS   6 FEES

**S1** Gasoline Dispensing Operation Gasoline Dispensing Operation Form

**A** DEVICE INFORMATION   **B** MATERIAL USAGE   **C** DEVICE OR OPERATION LOCATION

DEVICE LOCATION

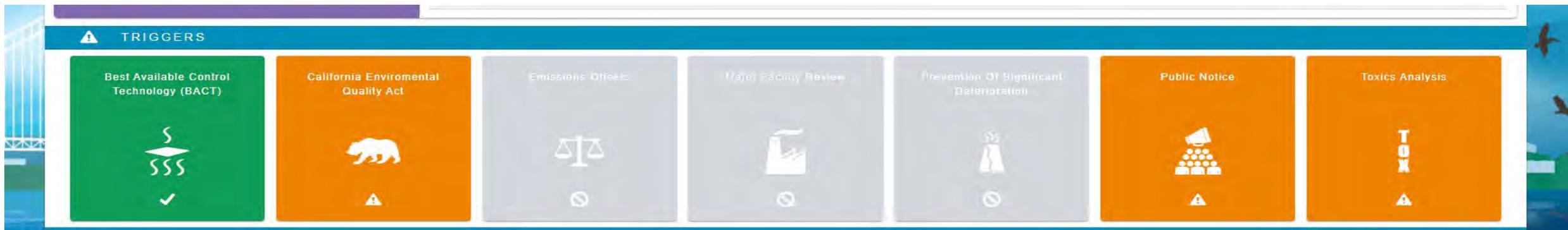
Editing the location of this device is currently disabled

← PREVIOUS SAVE DEVICE

# Examples of Features in My Air Online Automated Calculations



- Emissions and application fees
- Regulatory triggers
- Template permit conditions
- Routes to engineer



# Examples of Features in My Air Online Checking Application Status



**FACILITY DETAILS**

**Facility #300000**

- Owning Entity: Swati
- Address: 375 BEALE STREET, #600, SAN FRANCISCO, CA 94105
- Facility Status: Not Permitted
- NAICS Code: 811121 - Automotive Body, Paint, and Interior Repair and Maintenance

**Permit Engineer**

---

**NEW APPLICATIONS**

Application #	Application Name	Facility ID	Facility Name	Submittal Date	Status	Actions
<a href="#">800002</a>	<a href="#">test</a>	300000	test Swati EXT	May 1, 2024	Evaluating Permit Application Completeness	<a href="#">VIEW →</a>

Items per page: 10 | 1 - 1 of 1

---

**FACILITY CONTACTS**



Owner Contact

TEST SWATI

375 BEALE ST  
STE 600  
SAN FRANCISCO, CA 94105-2097  
swati@test.com  
(111) 111-1111

[EDIT OWNER CONTACT →](#)



Operator Contact

TEST SWATI

375 BEALE ST  
STE 600  
SAN FRANCISCO, CA 94105-2097  
swati@test.com  
(111) 111-1111

[EDIT OPERATOR CONTACT →](#)



Billing Contact

TEST SWATI

375 BEALE ST  
STE 600  
SAN FRANCISCO, CA 94105-2097  
swati@test.com  
(111) 111-1111

[EDIT BILLING CONTACT →](#)

---

**FACILITY DEVICES**

# My Air Online Permit Application Status



← BACK TO CUSTOMER PORTAL / APPLICATION SUMMARY PAGE

Your Permit will not be issued until the application fees are paid

[PAY INVOICE →](#)

Application Number: **800002**  
Date Submitted: **05-01-2024**

test

Application Status: **EVALUATING PERMIT APPLICATION COMPLETENESS**

## APPLICATION FEES

Invoice Number	T200000
Total Fees	\$4,468.00
Balance Due	\$4,468.00

[VIEW INVOICE →](#)

Your application has been received by the BAAQMD. Your application will be reviewed for completeness by BAAQMD per the timelines in Regulation 2-1-432.

You will be contacted by BAAQMD for additional information if necessary to complete the evaluation or if there is an adjustment to your fees and a balance is due.

## FACILITY APPLICATION CONTACT

Test Swati  
📍 375 BEALE ST  
📍 STE 600  
📍 SAN FRANCISCO, CA 94105-2097  
✉ swati@test.com  
📞 (111) 111-1111

## PERMIT ENGINEER

## APPLICATION EVALUATION INFORMATION

Type	Status
BACT Evaluation	Under BAAQMD Evaluation
CEQAEvaluation	Under BAAQMD Evaluation

# Recommended Action



The Committee will consider recommending the Board of Directors authorize the Executive Officer/APCO to amend current vendor contracts to extend the term of each contract through July 1, 2025, and increase the contracted amounts by the amounts listed in the staff report and totaling \$1.4M for projected expenditures during the first half of Fiscal Year Ending (FYE) 2025. These expenditures will be contingent upon the Board of Directors' approval of the proposed FYE 2025 budget which includes these funds.



BAY AREA  
AIR QUALITY  
MANAGEMENT  
DISTRICT

**AGENDA: 7**

# **Modernization of Information Technology Infrastructure**

**Finance and Administration Committee Meeting  
May 15, 2023**

**John Chiladakis  
Deputy Air Pollution Control Officer  
Chief Technology Officer  
[Jchiladakis@baaqmd.gov](mailto:Jchiladakis@baaqmd.gov)**

# Outline



- Background
- Current Infrastructure
- Proposed Design
- Cost
- Request to Recommend Project

# Requested Action



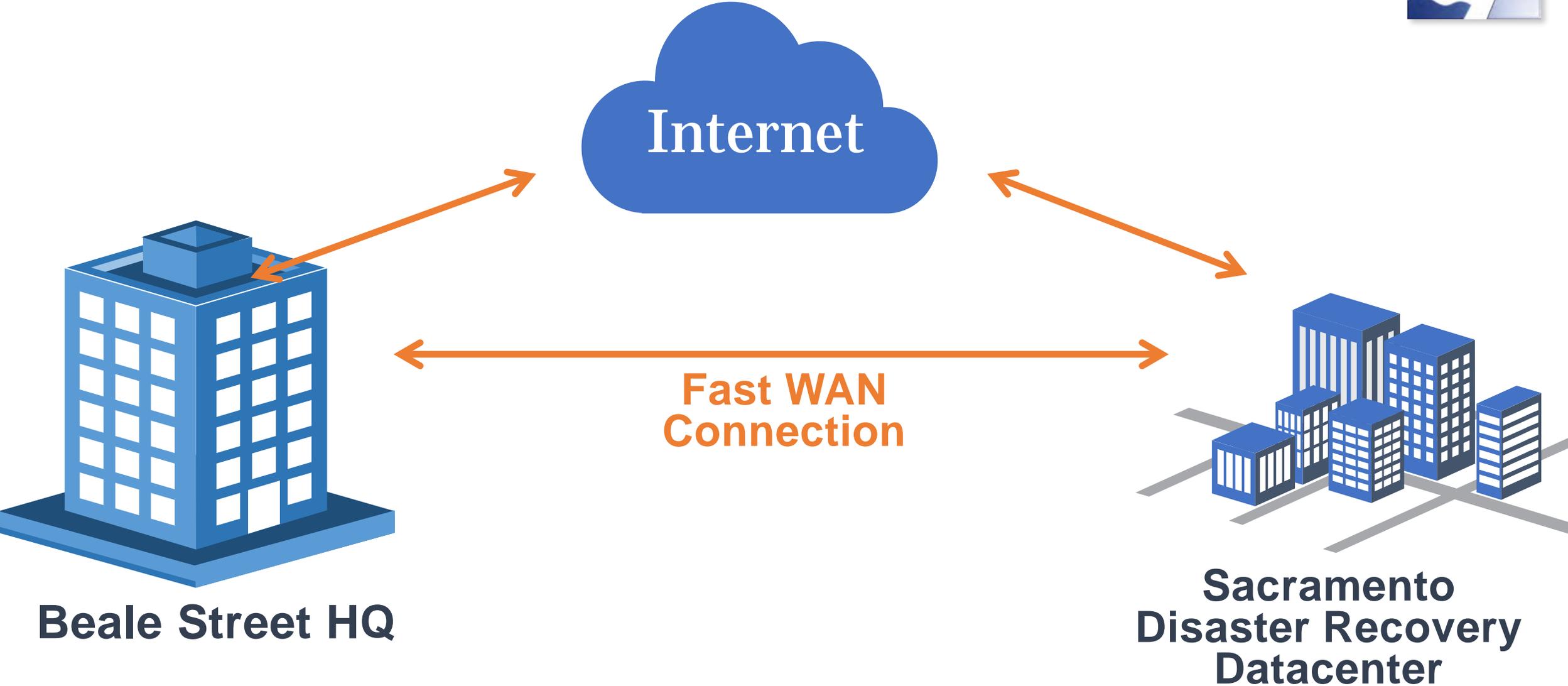
- The Committee will consider recommending the Board of Directors approve funding the new infrastructure project

# Background



- Air District has been refreshing its information technology (IT) infrastructure every 6 years
- We are two years overdue now with 9-year-old technology
- Two Datacenters:
  - Onsite in San Francisco
  - Sacramento for disaster recovery and business continuity
- Refresh has typically cost \$3 million (M) in equipment with \$250,000 per year in hardware warranties, licenses and operational costs

# Current Infrastructure Connectivity

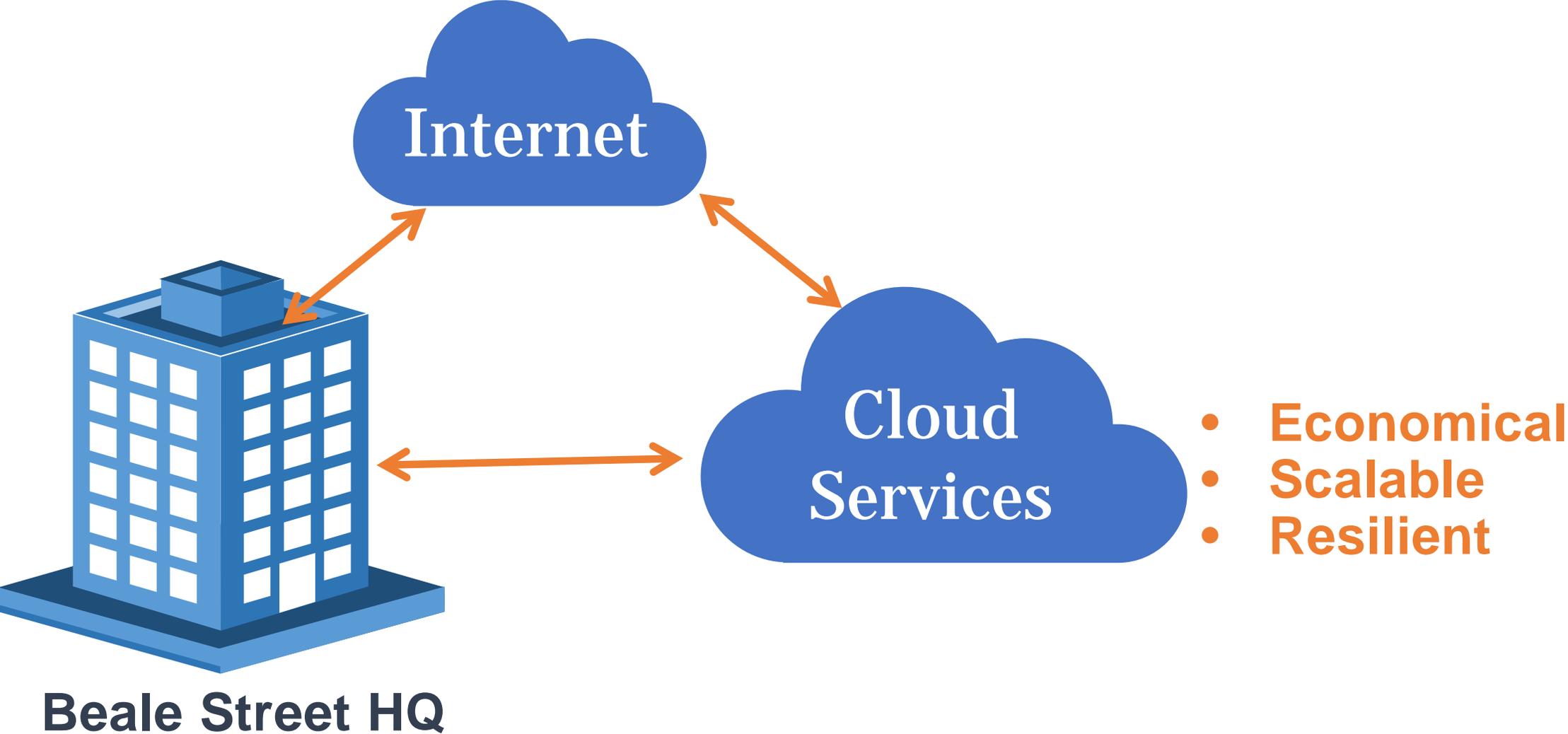


**Beale Street HQ**

**Sacramento  
Disaster Recovery  
Datacenter**

**Fast WAN  
Connection**

# Proposed Infrastructure Connectivity



# Cost



- Upfront capital outlay \$1.5M instead of \$3M required previously
- Competitively bid leveraged procurement agreements
- Cloud services cost of \$250,000 per year offset by \$250,000 per year in hardware warranties and other operational costs
- \$1.5M savings over 6 years

# Recommended Action



The Committee will consider recommending the Board of Directors approve:

- Executing contracts with competitively qualified vendors ePlus Technologies, Inc., CDWG Inc., SSP Data, Inc and/or SHI, Inc. for IT equipment and installation services in a total amount not to exceed \$1.5M
- Transferring funds not to exceed \$650,000 from multiple program budgets where actual expenditures are below projected expenditures in their (FYE) 2024 services, supply and capital budgets
- Amend the competitively bid contract with Dell, Inc to increase the annual expenditure on Microsoft Cloud services by \$250,000 per year