

FINAL PQA PROPOSAL FOR WRAP EMISSIONS TRADING INFORMATION SYSTEM ANALYSIS

1. Technical Approach

The primary deliverable for this work will be a concept paper or report (approximately 15 to 20 pages) broadly describing architectural and system requirements necessary to support a State/Regional emissions trading program information system. This report will describe the functional areas and high-level requirements for the WEB Allowance Tracking System (WEB ATS) which is a requirement for the program under 40 CFR 51.309. The style and format will be consistent with the Western Emissions Budget Backstop Trading Program for SO₂ Model SIP/TIP and will be included in the Technical Support Document (TSD) referenced in Section C2 of the Model SIP/TIP. The document will demonstrate the overall needs and objectives of an emissions trading program for the WRAP States to support effective implementation.

The project will be performed in three discrete phases:

Phase 1. Preliminary research and analysis, including discussions with WRAP staff or other project participants who would like to ensure that specific areas or topics are fully addressed.

Phase 2. Outline development, including review and discussion of a draft outline.

Phase 3. Report development including one draft, incorporation of comments, and a final deliverable.

Areas of analysis will include:

- Identification of criteria for selection of technical architecture, including platforms and communication standards.
- Assessment of security requirements and standards for allowance trading applications, including user authentication processes and physical data security.
- Assessment of criteria and needs to ensure that the system design and implementation contain appropriate "step in" procedures in case of failure of the Tracking System Administration (TSA) to deliver, or the Emissions and Allowance Transfer System to perform adequately.
- Definition of functional areas (both general and detailed) within the proposed application to support specific requirements of the WEB Trading Program.

- Assessment of approaches which may be necessary to allow sufficient flexibility within the application to address variability in State requirements or State accountability or State reporting.
- Assessment of and recommendations regarding data elements and functionality necessary to provide appropriate program assessment on an ongoing basis.
- Assessment and recommendations of standards for data exchange and submission.
- Identification of key issues and factors affecting costs for design, development and implementation.
- Assessment of time necessary to assure development and deployment within the regulatory schedule and framework. Recommended strategies to minimize development and implementation time.

Given that the development of the system likely will not occur for several years, detailed specifications are not appropriate at this time. However, we will provide initial systems analysis steps, including using case analysis and data flow, to the extent that these techniques will be helpful to a future design and development effort. We will also provide other materials and secondary assessments noted above to help identify other issues or factors that may need to be resolved or addressed during system development. These assessments will be useful for developers when that stage of your program occurs.

2. Schedule

PQA will initiate work immediately on the day the contract is executed. This will be the "start date." PQA will work as expeditiously as possible to meet the following completion dates and will provide its best effort to complete all tasks in a shorter time frame if achievable.

Task	Completion Date
Preliminary Research	Two weeks from start date
Draft Outline	Two weeks from start date
Final Outline	Next day following receipt of comments
Draft Report	Four weeks from start date
Final Report	Five business days following receipt of comments
Estimated Completion Date	Six weeks from start date

3. Personnel

For this work, PQA proposes three senior staff: Peggy Quarles, Cindy Ferreira, and Bill Balcke. Peggy Quarles is the project manager for all information system and U.S. EPA Clean Air Markets Division (CAMD) projects, and during the past twenty years has designed and implemented major software systems used by EPA and State agencies. Cindy Ferreira is a senior systems engineer and the software development manager for all emissions trading program information systems, including CAMD's Reengineering project and the EATS project. Bill Balcke is a senior regulatory analyst and project manager at PQA who will serve as a consultant to ensure a complete understanding of the regulatory background and any anticipated variances in State program regulations or needs.

4. Cost Proposal

PQA proposes to perform this work on a time and materials basis with monthly progress payments at a cost not to exceed \$17,000. PQA's proposed rates for this work are comparable to the rates currently charged to WRAP (Contract 30204-60) and include for this work the following rates:

<u>Category</u>	<u>Rate</u>
Principal Systems Analyst/Project Manager	\$106.00/hour
Principal Regulatory Analyst	\$99.00/hour
Senior Systems Engineer	\$98.00/hour
Systems Analyst	\$65.00/hour
Programmer/Analyst	\$61.00/hour
Application Engineer	\$55.00/hour
Senior Project Control Specialist	\$55.00/hour
Program Administration Specialist	\$38.00/hour
Project Control Specialist	\$35.00/hour