

# A Decision Support Tool to Automate and Optimize Contract Staffing using Linear Programming



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## Infinity Labs LLC

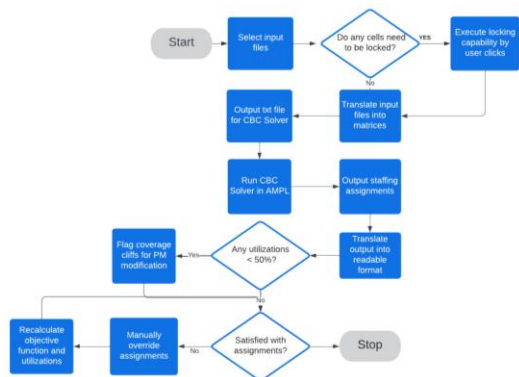
Infinity Labs is an innovation firm specializing in defense contracting in the areas of simulation and cyber security. Infinity Labs has four main groups of employees ranging from executives, program managers, project managers, and LCAT (Labor Category) employees. Our system of interest is the staffing process at Infinity Labs.

## Current Staffing Process

The current staffing process is manual and time consuming. Program managers begin by looking at all current employee utilizations. Staffing meetings are then held to determine an employee's eligibility, and assignments are created based on the situational knowledge of the program manager.

## Staffing Decision Support Tool

Our team created an Excel-based decision support tool that works in parallel with the optimization model.



The interface provides a simple method for uploading input data, locking current assignments, running the model, and making any post-hoc decisions.

## Balancing Utilization using Optimization

We created an optimization model using VBA and the CBC solver in AMPL to create employee assignments. This model minimizes employee utilization variability while ensuring all constraints are met:

$$\text{Objective: } \text{Minimize } Z - W + \sum_{j=1}^J 5 * F_j + \sum_{j=1}^J 5 * K_j + \sum_{s=1}^S 100 * D_s + \sum_{j=1}^J 100 * H_j$$

Parameters:

- $S$  = Employee
- $J$  = Contract
- $E_j$  = Budget per contract
- $N_s$  = LCAT rate per employee
- $P_s$  = Number of projects per employee
- $G_{s,j}$  = Clearance eligibility
- $L_{s,j}$  = Employee location eligibility
- $R_j$  = Recommended hours per contract
- $C_s$  = Maximum hours per employee

Decision Variables:

- $X_{s,j}$  = Binary - If an employee is assigned to a contract
- $Y_{s,j}$  = Hours assigned per employee per contract
- $U_s$  = Dummy variable for employee utilization
- $Z$  = Maximum utilization
- $W$  = Minimum utilization
- $F_j$  = Penalty for understaffing projects
- $K_j$  = Penalty for surpassing budget
- $D_s$  = Penalty for violating employee assignments
- $H_j$  = Penalty for violating contract assignments

$$\sum_{s=1}^S Y_{s,j} \geq R_j - F_j$$

For every employee  $s$  and contract  $j$ , the sum of hours per contract must exceed the recommended hours with a penalty if a contract needs to be understaffed.

$$\sum_{j=1}^J X_{s,j} \leq P_j$$

$$\sum_{j=1}^J Y_{s,j} \leq C_s$$

For every employee  $s$ , the number of allowable projects and maximum workable hours must not be exceeded.

$$L_{s,j} \geq X_{s,j}$$

$$G_{s,j} \geq X_{s,j}$$

For every employee  $s$  and contract  $j$ , the employee must have the correct location and clearance level in order to be assigned to a contract.

$$\sum_{s=1}^S N_s Y_{s,j} \leq E_j + K_j$$

For every employee  $s$  and contract  $j$ , the cost of assignments must not exceed the contract budget with a penalty if the budget is surpassed.

Other constraints not shown above include eligibility, locked assignments, max hours, max projects, and utilization calculation constraints.

## Assignments and Contract Analysis

Our tool merges the model output with any decisions made in the VBA tool to portray a three-month outlook of new assignments.

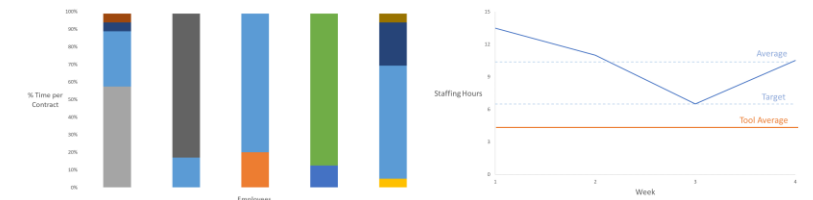
January					February					March					
Employee	Project	Hours	%Time	Locked	Employee	Project	Hours	%Time	Locked	Employee	Project	Hours	%Time	Locked	
Employee 1	Project 3	152	0.95	LOCKED	Software Engineer 3	Employee 1	Project 3	152	0.95	LOCKED	Software Engineer 3	Employee 1	Project 3	152	0.95
Employee 10	Project 13	56	0.35	LOCKED	Scientist 2	Employee 10	Project 13	56	0.35	LOCKED	Scientist 2	Employee 10	Project 13	56	0.35
Employee 10	Project 21	40	0.25	LOCKED	Scientist 2	Employee 10	Project 21	40	0.25	LOCKED	Scientist 2	Employee 10	Project 21	40	0.25
Employee 10	Project 38	48	0.30	LOCKED	Scientist 2	Employee 10	Project 38	48	0.30	LOCKED	Scientist 2	Employee 10	Project 38	48	0.30
Employee 10	Project 9	16	0.10	LOCKED	Scientist 2	Employee 10	Project 9	16	0.10	LOCKED	Scientist 2	Employee 10	Project 9	16	0.10
Employee 11	Project 30	2	0.05	LOCKED	Scientist 4	Employee 11	Project 30	2	0.05	LOCKED	Scientist 4	Employee 11	Project 30	2	0.05
Employee 11	Project 38	8	0.90	LOCKED	Scientist 4	Employee 11	Project 38	8	0.90	LOCKED	Scientist 4	Employee 11	Project 38	8	0.90
Employee 11	Project 39	2	0.05	LOCKED	Scientist 4	Employee 11	Project 39	2	0.05	LOCKED	Scientist 4	Employee 11	Project 39	2	0.05
Employee 12	Project 14	144	0.90	LOCKED	Software Engineer 3	Employee 12	Project 14	144	0.90	LOCKED	Software Engineer 3	Employee 12	Project 14	144	0.90
Employee 12	Project 15	16	0.10	LOCKED	Software Engineer 3	Employee 12	Project 15	16	0.10	LOCKED	Software Engineer 3	Employee 12	Project 15	16	0.10
Employee 13	Project 35	32	0.20	LOCKED	Analyst 4	Employee 13	Project 35	32	0.20	LOCKED	Analyst 4	Employee 13	Project 35	32	0.20
Employee 13	Project 39	152	0.95	LOCKED	Analyst 4	Employee 13	Project 39	152	0.95	LOCKED	Analyst 4	Employee 13	Project 39	152	0.95

Our tool also analyzes how post-processing decisions affect contract budgets and employee utilizations. Program managers can use the utilization analysis to address coverage cliffs.

Contract	January			February			March		
	Burned Budget	Total Budget	Remaining Budget	Assigned Hours	Max Hours	Utilization	Assigned Hours	Max Hours	Utilization
Contract 1	\$6,546.00	\$70,000.00	\$63,454.00	152	160	95%	152	160	95%
Contract 2	\$8,330.00	\$4,886.67	\$13,546.67	80	160	50%	80	160	50%
Contract 3	\$1,200.00	\$2,000.00	\$800.00	192	160	120%	192	160	120%
Contract 4	\$6,800.00	\$2,500.00	\$9,300.00	160	160	100%	160	160	100%
Contract 5	\$2,700.00	\$4,886.67	\$2,186.67	160	160	100%	160	160	100%
Contract 6	\$8,800.00	\$3,886.67	\$12,686.67	80	80	100%	80	80	100%
Contract 7	\$2,461.75	\$6,886.67	\$4,424.92	80	160	50%	80	160	50%
Contract 8	\$2,360.00	\$6,886.67	\$4,526.67	160	160	100%	160	160	100%
Contract 9	\$5,776.00	\$2,500.00	\$8,276.00	160	160	100%	160	160	100%
Contract 10	\$4,860.00	\$2,000.00	\$6,860.00	112	160	70%	112	160	70%
Contract 11	\$2,800.00	\$2,000.00	\$4,800.00	4	40	10%	4	40	10%
Contract 12	\$4,860.00	\$2,000.00	\$6,860.00	16	160	10%	16	160	10%
Contract 13	\$2,040.00	\$2,000.00	\$4,040.00	184	160	115%	184	160	115%
Contract 14	\$8,800.00	\$2,886.67	\$11,686.67	96	120	80%	96	120	80%
Contract 15	\$2,860.00	\$2,000.00	\$4,860.00	0	160	0%	0	160	0%

## Results and Impact

When comparing employee utilizations both before and after tool implementation, our team concluded that there was a 17.3% increase in average utilizations. All employees are now balanced at 99% utilization when overriding previous assignments.



Our tool reduced the utilization variability by 115%. Our tool also saved 5.9 hours on average per week for program managers, while increasing stakeholder satisfaction by 43%.