



Board Agenda Item 60

DATE: June 21, 2022

TO: Board of Supervisors

SUBMITTED BY: Robert W. Bash, Director, Internal Services/Chief Information Officer

SUBJECT: Amendment to the Master Schedule of Fees, Charges, and Recovered Costs
Section 4300 - Information Technology Services

RECOMMENDED ACTION(S):

Conduct second hearing and adopt the Master Schedule of Fees, Charges, and Recovered Costs, Section 4300 - Information Technology Services, where subsections 4302 - Telecom Network Connection, 4303 - Telecom Integrated Voice Response Seat Charges, 4304- Financial Transaction, 4305 - HR Transaction, 4308 - Application Hosting, 4309 - GIS Support, 4310 - Information Storage and Admin, 4313 - Enterprise Base, 4314 - IT Labor, 4315 - Pager, 4317 - Radio Access for 24-7 Radios, 4320 - SQL Database, 4321 - Oracle Database, 4322 - Static Storage, 4323 - Host on Demand, 4326 - Graphics Labor, 4327 - Messenger Service, 4328 - Black & White Copy, 4329 - Color Copy, and 4330 - Active User are to be amended; waive the reading of the Ordinance in its entirety.

Approval of the recommended actions will amend the Master Schedule of Fees, Charges, and Recovered Costs (MSF) Ordinance, Section 4300 - Information Technology Services, based on the anticipated Internal Services Department - Information Technology (ISD-IT) costs. The proposed rate increases, which range from 1% to 11%, will be used for recovery of costs of ISD-IT specified services and PeopleSoft operations provided to user departments and other public agencies. The exceptions are 4309 - GIS Support and 4321 - Oracle Database, which are increasing 25% and 14%, respectively. In addition, there are rate decreases ranging from 2% to 14%, due to renegotiation of software support agreements, increases in efficiency, and other positive changes in methodology. This item is countywide.

ALTERNATIVE ACTION(S):

Your Board may direct ISD-IT staff to not change the rates, or change a portion of the rates, or propose alternative rates, which may not recover full costs of services.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. Amending the rates for services charged to user departments and other public agencies will result in a portion of the revenues needed to operate two separate Internal Service Funds (ISF) for FY 2022-23. Those funds are:

Fund 1020, Information Technology Services, Org 8905-8908
Fund 1030, PeopleSoft Operations, Org 8933

Most of the increases, which range from 1% to 11% within IT services, are due to a variety of factors, including salary and benefit increases and increased costs for licensing software. The exceptions are 4309 - GIS Support and 4321 - Oracle Database, which are increasing 25% and 14%, respectively. The increase

in 4309 is due to a decrease in the number of users and an increase in licensing for additional Geographic Information System tools requested by departments. The increase in 4321 is due to a decrease in the number of databases being supported. The charges for copies also increased by 12% (\$0.0037) for black and white copies and 5% (\$0.03) for color copies, primarily due to an associated increase in consumable costs. Additionally, there are some rate decreases, ranging from 2% to 14%, resulting from the renegotiation of software support agreements, increases in efficiency, and other positive changes in methodology.

DISCUSSION:

On June 7, 2022, your Board conducted the first hearing to amend Section 4300 - Information Technology Services. As an ISF, ISD must recover all operating expenses by charging user departments and public agencies for services ordered and rendered.

The recommended amendments to the MSF, if adopted by your Board, would update ISD-IT's rates. These rates were established by estimating the annual operating costs of the components of each of the respective services, and then dividing those costs by the projected usage of all user departments and public agencies. The rates indicated are for services utilized by both internal and external customers and make up a portion of the total revenues collected by the ISFs.

The proposed amendments would amend rates for subsections:

- 4302 - Telecommunications Network Connection,
- 4303 - Telecommunications Integrated Voice Response Seat Charges,
- 4304 - Financial Transaction,
- 4305 - HR Transaction,
- 4308 - Application Hosting,
- 4309 - GIS Support,
- 4310 - Information Storage and Admin,
- 4313 - Enterprise Base,
- 4314 - IT Labor,
- 4315 - Pager,
- 4317 - Radio Access for 24-7 Radios,
- 4320 - SQL Database,
- 4321 - Oracle Database,
- 4322 - Static Storage,
- 4323 - Host on Demand,
- 4326 - Graphics Labor,
- 4327 - Messenger Service,
- 4328 - Black & White Copy,
- 4329 - Color Copy, and,
- 4330 - Active User.

Attachment A is a Summary of Proposed Revisions to Fees and illustrates a comparison between the proposed rates and the prior rates for the two preceding budget years for those subsections recommended for amendment.

Below is a summary of events that led to the rate increases above 11%, as well as the copy rate increases that led to the recommended amendments to the MSF:

- 4309 - GIS Support is due to a decrease in the number of users and an increase in licensing for

additional GIS tools requested by departments.

- 4321 - Oracle Database result from a decrease in the number of databases being supported.
- 4328 - Black & White and 4329 - Color Copy rates are due to increases in consumables costs.

The recommended rates, including their calculation and methodology applied for cost recovery, are currently under review by the Auditor-Controller/Treasurer-Tax Collector (ACTTC). Should the ACTTC find material errors in the rate development, ISD will return to your board for an adjustment at that time.

The summary of the ordinance amendment was published in The Business Journal on June 10th, 2022.

If adopted by your Board, the recommended rates will take effect July 21, 2022.

REFERENCE MATERIAL:

BAI #9, June 7, 2022

ATTACHMENTS INCLUDED AND/OR ON FILE:

Attachment A
Ordinance

CAO ANALYST:

Sonia M. De La Rosa