



Board Agenda Item 8

DATE: June 6, 2023

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):

- 1. Conduct first hearing to amend 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; and set the second hearing for June 20, 2023;**
- 2. Designate County Counsel to prepare a fair and adequate summary of the proposed Ordinance; and**
- 3. Direct the Clerk of the Board to post and publish the required summary in accordance with Government Code, Section 25124(b)(1).**

There is no additional Net County Cost associated with the recommended actions, which 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 12%, will be used for recovery of costs of ISD-IT staff for certain services and PeopleSoft operations provided to user departments and other public agencies. The exceptions to this are Subsections 4330 Active User and 4313 Enterprise Base, which are increasing 14% due to the increase in cybersecurity investment and licensing expenses. This item is countywide.

ALTERNATIVE ACTION(S):

Your Board may direct ISD-IT 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 rendered to user departments and other public agencies will result in the collection of a portion of

the revenues needed to operate two separate Internal Service Funds (ISF) for FY 2023-24. Those ISFs are:

Fund 1020, Information Technology Services, Org 8905-8908

Fund 1030, PeopleSoft Operations, Org 8933

Most of the increases, which range from 1% to 12% within IT services, are due to a variety of factors, including salary and benefit increases and increased costs for licensing software. The exceptions to this are 4330 Active User and 4313 Enterprise Base, which are increasing 14% due to the increase in cybersecurity investment and licensing expenses.

DISCUSSION:

As an Internal Service Fund (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 to the MSF would update rates for subsections:

- 4302 - Telecommunications Network Connection,
- 4303 - Telecommunications IVR Seat Charges,
- 4304 - Financial Transaction,
- 4305 - HR Transaction,
- 4308 - Application Hosting,
- 4309 - GIS Support,
- 4310 - Information Storage and Admin,
- 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, and
- 4329 - Color Copy.

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

The rates associated with 4330 - Active User and 4313 - Enterprise Base User increased by approximately 14% due to increases in cybersecurity investments and licensing expenses.

ISD staff has calculated the rates using its best estimate of costs, and the rates are currently being reviewed by the Auditor-Controller/Treasurer-Tax Collector.

If the recommended actions are approved by your Board, the second hearing will be scheduled for June 20, 2023. The proposed rate changes will take effect 30 days after the second hearing, if adopted by your Board.

ATTACHMENTS INCLUDED AND/OR ON FILE:

Attachment A
Ordinance
On file with Clerk - Summary of Ordinance

CAO ANALYST:

Ahla Yang