



Board Agenda Item 6

DATE: June 23, 2020

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 4306 - LAN Admin, 4307 - Device Admin, 4311 - I-Net Line, 4312 - I-Net Logon, and 4319 - Virtual Desktop Infrastructure are to be deleted, and 4330 - Active User is to be added, and 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, and 4329 - Color Copy are to be amended; waive the reading of the Ordinance in its entirety; and set the second hearing for August 4, 2020;**
- 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).**

Approval of the recommended actions will amend the Master Schedule of Fees, Charges, and Recovered Costs (MSF) Ordinance, by amending Section 4300 - Information Technology Services, based on the anticipated Internal Services Department - Information Technology (ISD-IT) costs. The proposed rate increases 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. This item is countywide.

ALTERNATIVE ACTION(S):

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

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. Charging the proposed rates for services rendered 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 2019-20. Those funds are:

Fund 1020, Information Technology Services, Org 8905-8908

Fund 1030, PeopleSoft Operations, Org 8933

The increases, which range from 0.25% to 3% within IT services, are primarily due to increased costs in licensing. The charges for copies also increased by 6% (\$0.0016) for black and white copies and 12% (\$0.05) for color copies, primarily due to an associated increase to the lease costs of the upgraded copiers used to make those copies. Additionally, a majority of the rate changes are decreases, ranging from 0.25% to 3%, resulting from increases in efficiency and positive changes in methodology.

DISCUSSION:

As an ISF department, ISD, which manages these two funds, must recover all operating expenses by charging user departments and public agencies for services ordered and rendered.

Subsections 4306 - LAN Admin, 4307 - Device Admin, 4311 - I-Net Line, 4312 - I-Net Logon, and 4319 - Virtual Desktop Infrastructure are recommended for deletion, as these rates are consolidated into one inclusive rate, and included in subsection 4330 -- Active User. This amendment will simplify billing and better reflect current practices.

The proposed amendments to the Ordinance, if adopted by your Board, would update ISD-IT's rates, which 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, if adopted by your Board, would amend 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, Summary of Proposed Revisions to Fees, illustrates a comparison between the proposed rates and the corresponding rates for the two preceding budget years for those subsections recommended for amendment.

Below is a summary of events that lead to the recommended amendments to the MSF:

- New rate in 4330 - Active User, due to combining multiple related rates for users
- Increased rates within 4313 - Enterprise Base, and new rate in 4330 - Active User due to Office 365 and cloud hosting services stemming from the new Enterprise Agreement with Microsoft
- Increased rates in 4328 - Black & White and 4329 - Color Copy rates, due to a recent upgrade to copier equipment

The recommended rates, including their calculation and methodology applied for cost recovery, is 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 proposed rate changes will take effect 30 days after the second hearing if adopted by your Board.

If the recommended actions are approved by your Board, the second hearing will be scheduled for August 4, 2020.

ATTACHMENTS INCLUDED AND/OR ON FILE:

Attachment A

Exhibit A

Ordinance

On file with Clerk - Summary of Ordinance

CAO ANALYST:

Sonia M. De La Rosa