



Board Agenda Item 59

DATE: June 20, 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):

Conduct second hearing to 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.

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 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 action. 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:

On June 6, 2023, 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 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.

The summary of the ordinance amendment was published in The Business Journal on June 9, 2023.

If adopted by your Board, the recommended rates will take effect July 20, 2023.

REFERENCE MATERIAL:

BAI #8, June 6, 2023

ATTACHMENTS INCLUDED AND/OR ON FILE:

Attachment A
Ordinance

CAO ANALYST:

Ahla Yang