



Board Agenda Item 53

DATE: June 5, 2018

TO: Board of Supervisors

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

SUBJECT: Amendment to Master Schedule of Fees, Charges, and Recovered Costs - Second Hearing

RECOMMENDED ACTION(S):

Conduct second hearing to amend the County of Fresno Master Schedule of Fees, Charges, and Recovered Costs Ordinance by amending Section 4300-Information Technology Services, in its entirety, revising fees relating to the recovery of costs of certain information technology services and PeopleSoft Operations provided by the Internal Services Department (ISD) to County departments and other public agencies (the Ordinance); waive the reading of the proposed Ordinance in its entirety; and adopt the proposed Ordinance.

The Board's approval of the recommended action would amend rates in Section 4300, Information Technology Services, of the Master Schedule of Fees, Charges, and Recovered Costs (MSF) based on Internal Services Department (ISD) costs. The rates are used for recovery of costs of ISD staff costs for certain information technology services and PeopleSoft Operations provided to County departments and other public agencies. This item is Countywide.

ALTERNATIVE ACTION(S):

The Board may direct staff to use current fees or propose alternative fees which may not recover full costs of services.

FISCAL IMPACT:

Charging the proposed rates for services rendered to County departments and other public agencies outside the County departments will result in a portion of the revenues needed to operate two separate Internal Service Funds (ISF) for FY 2018-19. Those funds are:

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

DISCUSSION:

On May 8, 2018, the Board conducted the first hearing on the recommended updates to the Master Schedule of Fees for Section 4300, Information Technology Services, as summarized in Exhibit A.

The two funds mentioned above are managed by the ISD. As ISF organizations, they must recover all operating expenses by charging customers for services ordered and rendered. The rates under discussion

were established by estimating the annual operating cost of the components of each of the unique services being offered and then dividing those costs by the projected usage of all customers. The rates indicated are for services utilized by both internal customers (i.e., County departments) and external customers (i.e., other public agencies) and make up a portion of the total revenues collected by the ISF's.

The proposed Ordinance, if adopted by the Board, would update rates for subsections 4301 through and including 4315, 4317, and 4319 through and including 4329. Exhibit A illustrates a summary comparison between the proposed rates and the corresponding rates for the two preceding budget years for those subsections recommended for change. In some cases, the units of service obtained may be in the thousandths or millionths, therefore recorded to four decimal places. The rounding back to dollars and cents is accomplished at collection time.

Below is a brief summary of events that led to changes from prior year rates to the proposed:

- Decreased rates as the volume order of units increased providing lower rates.
- Decreased VDI (i.e., virtual desktop infrastructure) rates as support services will be provided via remote access.
- Decreased rates in Application Hosting rate due to a new method of calculation.
- Increased rates in SQL (i.e., structured query language) and Oracle Database rates due to a new method of calculation.
- Increased pager rates as reductions in total units in use increased unit cost.
- Increased rates due to increases in staffing costs.

The recommended rates, including their calculation, and the methodology applied for cost recovery has been reviewed and approved by the Auditor-Controller/Treasurer-Tax Collector.

If the proposed Ordinance is adopted, the recommended fees (rates) will be effective 30 days from the date of such adoption.

PUBLICATION:

A certified copy of the proposed Ordinance has been available to the public in the Office of the Clerk of the Board since May 8, 2018, and a summary of the proposed Ordinance has been published in the Business Journal on May 11, 2018.

REFERENCE MATERIAL:

BAI #9, May 8, 2018

ATTACHMENTS INCLUDED AND/OR ON FILE:

Exhibit A - Comparison of Rates
Proposed Ordinance

CAO ANALYST:

Juan Lopez