



# Board Agenda Item 9

DATE: July 9, 2019

TO: Board of Supervisors

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

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

## RECOMMENDED ACTION(S):

- 1. Conduct first hearing to amend Section 4300-Information Technology Services of the Master Schedule of Fees, Charges, and Recovered Costs, where subsections 4301, 4324, and 4325 are deleted, and subsections 4302-4315, 4317, 4319-4323, and 4326-4329 are updated; waive the reading of the Ordinance in its entirety; and set the second hearing for August 6, 2019;**
- 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 revise the existing Master Schedule of Fees, Charges, and Recovered Costs (MSF) Ordinance by amending Section 4300-Information Technology Services, based on Internal Services Department (ISD-IT) costs. The rates are used for the recovery of costs of ISD staff for certain information technology services and PeopleSoft operations provided to County departments and other public agencies. This item is countywide.

## ALTERNATIVE ACTION(S):

Your Board may direct staff to use current fees 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 County 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

## DISCUSSION:

As an ISF, ISD must recover all operating expenses by charging customers for services ordered and rendered. The rates under discussion 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 customers. 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 amendment to the Ordinance, if adopted by your Board, would update rates for subsections 4302 through and including 4315, 4317, 4319 through and including 4323, and 4326 through and including 4329. The recommended updates for the subsections are detailed in Exhibit A. Attachment A illustrates a comparison between the proposed rates and the corresponding rates for the two proceeding budget years for those subsections recommended for change.

Subsections 4301, 4324, and 4325 are recommended for deletion, as these rates are consolidated into one, and included in subsection 4302, Telecom Network Connection.

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

- Decreased rates in the Enterprise base, due to Office 365 and Cloud hosting services.
- Increased rates in Telecom-Network Connection, due to combining the Telephone Desktop Hardware, Conference Phones, and SIP Trunking rates.
- Increased rates to Pager Service, as reductions in total units in use increased unit costs.
- Increased labor rates, due to increases in staffing costs.

The recommended rates, including their calculation, and methodology applied for cost recovery has been reviewed and approved by the Auditor-Controller/Treasurer-Tax Collector. The proposed fee (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 6, 2019.

ATTACHMENTS INCLUDED AND/OR ON FILE:

MSF FY 2019-20 Attachment A  
MSF FY 2019-20 Ordinance  
MSF FY 2019-20 Exhibit A  
On file with Clerk - Summary of Ordinance

CAO ANALYST:

Yussel Zalapa