

ISD Charges Methodology

Executive Overview

August 27,2008

Overview

For FY09, ISD identified operational costs down to each job classification and then identified the primary services provided. These primary services are:

1. PeopleSoft Support
2. GIS
3. Specialized Applications
4. HTE
5. Network Systems
6. Desktop Support

Each service's cost was calculated, based upon personnel assigned, overhead, equipment costs, software licensing, maintenance agreements, etc. These costs are divided by two funds that will appear as line items in each departments budget, 59302 (ISD Operations & Maintenance (O&M)) and 59303 (ISD Systems Acquisition and Maintenance (SAM) and System Replacement Fund (SRF)). ISD O&M is comprised primarily of personnel, facilities, and equipment costs associated with ISD personnel. ISD SAM/SRF is comprised of city-wide software licensing costs, city-wide software maintenance agreements, hardware purchases and upgrades and specific departmental requests (10X's).

FY09 Base Costs

FY09 base costs for these primary service areas are as follows:

Service Area	O&M	SAM/SRF
PeopleSoft	\$901,011.02	\$803,874.26
Specialized Applications	\$1,556,351.16	\$1,388,563.08
HTE	\$570,400.74	\$508,906.62
Network Systems	\$999,018.02	\$891,315.26 ¹
Desktop Support	\$1,894,148.62	\$1,689,943.06
GIS	\$612,870.44	\$546,797.72
Total	\$6,533,800.00	\$5,829,400.00

Charges Methodology

Over the last several fiscal years, ISD has applied the same methodologies when developing ISF charges for each department. We followed the same methodologies for fiscal year 2009. By understanding the base numbers for any specific department and the methodologies used, each department will be able to arrive at the amount of their respective charges.

¹ This figure includes \$368,600.00 for Phase III of the Microsoft Migration.

PeopleSoft Charge Methodology

The PeopleSoft charge methodology is based upon the number of authorized positions for FY08. The ISD charges are calculated by identifying the authorized positions for a department and calculating the percentage of the total authorized positions of 4135 then multiplying that percentage by the PeopleSoft Costs in the above table.

$$\text{Dept Auth FTE's} / 4135 * \text{PeopleSoft Costs}$$

Specialized Applications

Specialized applications are specific applications developed for departments to support the departments' unique applications needs. Examples of these types of applications include applications such as, Fleet Anywhere (GSD), Vehicle Allowance (Risk), and Street Trees (Public Works).² In addition, these charges also apply to the initiation, monitoring, and maintenance of all city-wide applications such as BRASS, Kronos, Cognos, and Website Development and Management. The ISD charges are calculated based upon the departments FY08 Adopted Budget, as a percentage of the overall FY08 Adopted budget. The adopted amount used for this calculation is \$566,774,200. The ISD charge is calculated by dividing the department's FY08 Adopted Budget by the FY08 Adopted Budget amount, then multiplying the resulting percentage by the Specialized Applications cost in the table above.

$$\text{Dept's FY08 Adopted Bdgt} / \text{FY08 Adopted bdgt} * \text{Spec'd Apps Costs}$$

HTE

HTE charges are based upon actual usage over a 3-month period. ISD charges are calculated by dividing the department's total usage by the total system usage amount, then multiplying the resulting percentage by the HTE cost in the table above.

$$\text{Dept's HTE Usage} / \text{Overall HTE Usage} * \text{HTE Costs}$$

Network Systems

The Network Systems methodology is based upon the number of GroupWise Users for each department. The ISD charges are calculated by identifying the GroupWise Users for a department and calculating the percentage of the total of all GroupWise Users of 3,736, then multiplying that percentage by the Network Costs in the above table.

$$\text{Dept's GroupWise Users} / 3,736 * \text{Network Costs}$$

² ISD monitors and is responsible for the payment of fees for maintenance and service contracts for Department-specific applications. However, Departments are billed directly for their department-specific maintenance and service contracts.

Desktop Services

The Desktop Services methodology is based upon the number of Desktops for each department. The ISD charges are calculated by identifying the number of desktops for a department and calculating the percentage of the total of all desktops of 2,985, then multiplying that percentage by the Network Costs in the above table.

$$\text{Dept's Desktops} / 2,985 * \text{Desktop Costs}$$

Geographic Information Systems (GIS)

The GIS charge methodology is based upon estimated usage of GIS services. ISD reviewed prior GIS usage and developed a percentage of usage by each department. That percentage is used in allocating the costs across departments. The ISD charges are calculated by multiplying the department's usage percent and the GIS Costs in the above table.

$$\text{Dept's Usage Percent} * \text{GIS Costs}$$

System Replacement Fund

The System Replacement Fund was funded at \$934,000 for fiscal year 2009. The replacement fund is to be used to replace four types of assets: desktop computers, monitors, laptop computers, and network printers. It is the responsibility of City Departments to replace equipment outside of these four asset types. Additionally, it should be noted the amount appropriated for fiscal year 2009 for the replacement fund is the same as was funded in fiscal year 2008. Therefore, the replacement fund is not fully funded for fiscal year 2009 as City Departments add to their current asset inventory.

Infrastructure Replacement

The FY09 ISD SAM/SRF Charges include \$412,000 for city-wide infrastructure replacement. Specifically, it includes funds for the replacement of servers, routers, hubs, and switches used for city-wide applications. It is the responsibility of City Departments to replace infrastructure equipment that is used for Department-specific applications.