Department of County Management

MULTNOMAH COUNTY OREGON

IT Division

501 SE Hawthorne Blvd, Suite 400
Portland, Oregon 97214
503-988-3749
503-988-4392 Fax

M E M O R A N D U M

TO: Budget Office, Department Directors, Administrative Service Managers, Elected Officials
FROM: Becky Porter, CIO
SUBJECT: IT Internal Service Rates for FY 2007-2008
DATE: January 9, 2006

Calculation of IT FY07-08 internal service rates was accomplished using the same model, drivers and formulas used for the previous year's budget process. All rates are based on maintaining FY06-07 current service levels.

The rate presentation documents show each department's scope of service, associated costs, prior year's cost projection and a total cost for all services. The IT Customer Advocacy team will be scheduling meetings with each department individually to ensure that they understand the information and to answer any questions.

We have provided three reference totals on each department rate sheet. The first is the rate projection for FY08. The second is the rate projection we calculated for FY07. The final number is the value that was adopted for FY07. The difference and percent change calculations are based a comparison of FY07 projections to FY08 projections.

The priority based budgeting process allows the Chair to purchase programs at levels that may be different than the values we use in our projection calculations. After last year's budget process, IT did not re-calculate rates based on the adopted budget values. This is why we've provided both the projected and adopted values for FY07.

The Application Services rate includes a number of elements required to deliver and support departmental applications, including project definition and acceptance, project management, development tools, software licensing costs, database administration and monitoring tools, application maintenance, application servers and data storage.

The cost allocation calculations for WEB, GIS and Crystal Reports are unchanged and based on feedback and direction from the ASM team. The calculations are a hybrid model that allocates fixed enterprise-wide services equally across all departments. Specific, custom development work is charged to those departments requesting the service. Hours for department specific projects and support are based on FY05-06 project logs, which is the last full year of data available.

WAN costs for county owned buildings are calculated using formulas from Facilities Management that assess value based on building occupancy levels.

Finally, the rates for Telecommunications services will remain the same for next year. Telecom will be creating and publishing budget projections based on current service levels on January 9, 2007. This information will be published on the MINT and sent to Telecom Liaisons for distribution.

Since the projections are based on inventory counts as of December 31, 2006, it is the **responsibility of each department to review their individual usage trends and adjust budget values for any expected volume, usage or project-specific changes**.

If you have any questions about the IT rate setting process or data, please contact Tim Boylan at x83758 or Janet Thompson at x26641.