



Office of the City Manager

May 28, 2019

To: Honorable Mayor and Members of the City Council

From: *Dee* Dee Williams-Ridley, City Manager

Subject: Rent Board, Department of IT, Cost Allocation Charges

Overview

In FY 2019, working in collaboration with employees throughout the organization, the Department of Information Technology (DoIT) developed and implemented an Information Technology Cost Allocation Plan (IT CAP) that supports all IT operations and technology services (personnel, hardware, and software) in the city. The IT CAP is now the department's primary source of funding and charges are allocated to each department in the city, the offices of the Mayor and City Council, Police Review Commission, and other entities served by the DoIT, including the Library Board, Housing Authority, and Rent Board. City staff understands that the 4X4 Joint Committee on Housing would like to discuss the IT CAP charge allocated to the Rent Board. The purpose of this memorandum is to provide a high-level overview of the IT CAP and the charges allocated to the Rent Board. Given the breadth of technology services that are provided to the Rent Board, the DoIT believes that the IT CAP charges that are allocated to the Rent Board are reasonable.

Department of Information Technology Overview

The Department of Information Technology serves our community by exploring, developing, implementing, and supporting effective and innovative use of technology through teamwork, collaboration, innovation, and accountability to our departmental partners.

The department strives to provide the highest level of service to its customers through innovation and teamwork. Responsibilities include planning, developing, implementing, and supporting the IT infrastructure and systems throughout the City of Berkeley to address the challenge of improving performance at various levels for Department of IT and implement the next generation technologies to benefit our end users and providing excellent service to our community.

Information Technology Cost Allocation Plan Overview

In FY 2019, working in collaboration with employees throughout the organization, the DoIT developed and implemented an Information Technology Cost Allocation Plan (IT CAP) that supports all IT operations and technology services (personnel, hardware, and software) in the city. The IT CAP is now the department's primary source of funding. The objective of the IT CAP is to estimate the costs associated with technology services and give management an accurate and transparent picture of the true cost of its activities. The IT CAP also ensures that the General Fund is reimbursed for the technology service activities that serve enterprise or special funds.

IT CAP charges are allocated to each department in the city, the offices of the Mayor and City Council, Police Review Commission, and other entities served by the DoIT, including the Library Board, Housing Authority, and Rent Board. IT CAP charges that are allocated are based on the number of employees, number of computers, and services received. More specifically, non-personnel related operational costs are allocated by PC count for infrastructure and hardware expenditures, while personnel and software costs are allocated by the department's Full-Time Equivalent count provided by the Budget Office.

The proposed operating budget for Fiscal Years 2020 and 2021 allocates approximately \$13.1 million in FY 20 and approximately \$13.4 million in FY 21 in IT CAP charges across the organization.

IT CAP Allocated to the Rent Board and Services Provided by the DoIT

Of the total IT CAP charges allocated to the organization, the Rent Board charges for FY 19 are \$133,763.31. In FY 20, the Rent Board is being asked to pay \$135,873.51 and in FY 21, the Rent Board is being asked to pay \$138,263.36. In comparison to FY 18, the charges allocated to the Rent Board in FY 20 are approximately \$180,000 lower.

The IT CAP charges allocated to the Rent Board covers technology services for enterprise applications, network operations, helpdesk, and software licensing. For enterprise applications, the DoIT provides the following support to the Rent Board:

- Microsoft Enterprise Licensing;
- Enterprise Resource Planning - FUNDS\$ access and support including Erma (Tyler Munis) software licensing, access and support;
- Server, Database, and Data Storage Services to provide backend support to infrastructure;
- Website Training and Support.

For infrastructure, the DoIT supports approximately 31 PCs, 31 phones, one switch, one router/switch, and one uninterrupted power supply device deployed at the Rent Board site. All other infrastructure devices, such as servers, storage, and Internet, are located

in the Civic Center data center. DoIT also provides the helpdesk services, including licensing and maintenance for the Rent Board and in the last 12 months, the DoIT responded to 183 help desk tickets. The IT CAP charge allocated to the Rent Board does not include any costs for application support and project management services provided by the DoIT.

Given the breadth of services provided to the Rent Board, the DoIT believes that the charges allocated to the Rent Board are reasonable. The Rent Board benefits from the technology and staffing that is in place for the organization. For example, the average PC, including Microsoft Office licensing is about \$1,500, and for approximately 30 computers this will be around \$45,000. A typical Core Router and Firewall for the infrastructure and data protection from outside costs over \$90,000. A regular server is about \$12,000, and data storage costs can increase exponentially to meet the required data and security compliance for Federal and State regulations. The IT CAP allows the DoIT to create a system where the charges are consistent over the years and help departments to plan for their technology costs. Departments benefit from the economies of scale with IT negotiating the infrastructure and software contracts at the enterprise level, and this enables the DoIT to provide improved demand management and resource allocation to address the department needs and ensures that all departments are paying their equitable share.

Attachment: Overview of services/products allocated to the IT CAP.

cc: Paul Buddenhagen, Deputy City Manager
David White, Deputy City Manager
Mark Numainville, City Clerk
Matthai Chakko, Assistant to the City Manager
Jenny Wong, City Auditor
Teresa Berkeley-Simmons, Budget Manager
Savita Chaudhary, Director, Department of Information Technology
Jay Kelekian, Executive Director, Rent Board

Overview of services / products allocated to the IT CAP

Application	Use of Services/Products	Cost Basis
Software Licensing	<ol style="list-style-type: none"> 1. Microsoft Enterprise Agreement 2. Licensing for Infrastructure support 3. Voice Over IP (Software Licensing) 	<ol style="list-style-type: none"> 1. based on the number of Full-Time Equivalent Employees 2. based on the number of PC's in the department 3. based on the number of PC's in the department
Help Desk Service	<ol style="list-style-type: none"> 1. Technical Support Service 2. Microsoft Office Automation Software Support 3. Technical Training Service 4. Onboarding / Off boarding 5. PC Deployment Services 6. Automated Software Deployment 7. Incident Management 8. Hardware/Software Procurement 9. Wiring/Cabling Services related to technology equipment 10. Support to VPN Users 11. Mobile Device Management 12. Customer Service Desk (M-F) 13. 24 x 7 Emergency Support 	Based on the number of PC's in the department
Collaboration Services	<ol style="list-style-type: none"> 1. Email Services 2. Skype for Business Website Support 	Based on the number of Full-Time Equivalent Employees
Application	Use of Services/Products	Cost Basis

Infrastructure – Keep the Lights on	<ol style="list-style-type: none"> 1. Data Center Services 2. Servers, Storage 3. Firewall, VPN 4. Network Printing 5. UPS Management 6. Wireless Device Management 	Based on the number of PC's in the department
Networking Architecture	<ol style="list-style-type: none"> 1. Networking Device Management 2. Internet Access and Filtering 3. LAN / WAN Administration 4. Fiber / Opt-e-Man Circuits administration 	<p>Based on the number of PC's in the department</p> <p>If Applicable, all AT&T Fiber Costs are charged directly the department as part of Telecom Budget which is not included in the Cost Allocation</p>
Data Management Services	<ol style="list-style-type: none"> 1. File and Data Storage 2. Backup/Restore Services 3. Records Retention / Data Archiving 4. Enterprise Content Management System 	Based on the number of PC's in the department
Asset Management	<ol style="list-style-type: none"> 1. PC, Server, Storage, Network Device, Wireless Equipment, UPS Replacement Programs 	Based on the number of PC's in the department
Workspace Services	<ol style="list-style-type: none"> 1. Antivirus / Spam Protection 2. EndPoint Management 3. Patch Management 	based on the number of Full-Time Equivalent Employees
Application	Use of Services/Products	Cost Basis

Voice over IP (VoIP)	<ol style="list-style-type: none"> 1. Local and Long-Distance Services 2. Voice Services 3. Voice Messaging 4. Fax Services 5. Call Accounting & Distribution 6. Conference Calling 7. Adds/Moves/Changes 8. Special Features/Custom Telephone System Configuration 	<p>Based on the number of PC's in the department</p> <p>If Applicable, all AT&T Phone Costs are charged directly the department as part of Telecom Budget which is not included in the Cost Allocation</p> <p>Cost Allocation includes the Voice Over IP System costs (replacement of backend and ongoing maintenance and support)</p>
-----------------------------	---	--