



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 6/10/2014

Agenda Placement: 70

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: Jon Gjestvang - Chief Information Officer
Information Technology Services

REPORT BY: Maiko Klieman, STAFF SERVICES MANAGER - 707-259-8665

SUBJECT: Revenue Agreement Amendments with Napa LAFCO and Napa Sanitation District for IT Services

RECOMMENDATION

Chief Information Officer requests approval of and authorization for the Chairman to sign the following for the term July 1, 2014 to June 30, 2015, with an automatic renewal for additional years at the end of each fiscal year, for the County's Information Technology Services Division to provide technology services:

1. Amendment No. 8 to Revenue Agreement No. 4433 with Napa Local Agency Formation Commission increasing the amount by \$1,289 for a new maximum of \$23,663; and
2. Amendment No. 7 to Revenue Agreement No. 6898 with Napa Sanitation District increasing the amount by \$46,628 for a new maximum of \$332,120.

EXECUTIVE SUMMARY

These proposed revenue agreements allow Napa County's Information Technology Services (ITS) division to provide a total information technology support package to Napa Sanitation District and Local Agency Formation Commission (LAFCO) for the fiscal year 2014-15. The fee for this service is based on the cost allocation methodology that is used to allocate the ITS costs to all the County departments and some special districts/agencies that receive technology services. Total fiscal year 2014-15 ITS charge for Napa Sanitation District is \$332,120 and for LAFCO is \$23,663. While the terms of the agreements auto renew at the end of each fiscal year, if the maximum amounts change, amendments to the agreements are required.

FISCAL IMPACT

Is there a Fiscal Impact? Yes

Is it currently budgeted?	Yes
Where is it budgeted?	Information Technology Services
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	ITS receives revenues from Napa Sanitation District and LAFCO in exchange for providing IT services. By receiving the additional revenues from outside agencies, ITS is able to lower the ITS charges to the County departments.
Is the general fund affected?	Yes
Future fiscal impact:	The agreements for Napa Sanitation and LAFCO will be amended each fiscal year to reflect the ITS charge for that fiscal year.
Consequences if not approved:	There would be no formal agreement between Napa Sanitation District and LAFCO with the County for technology services. This would prevent the County from providing technical services to the agencies and the County would not be receiving revenue. Additionally, the agencies would be required to get technology services elsewhere, which is likely to be more expensive.

Additional Information:

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

The County's Information Technology Services (ITS) Division provides a comprehensive set of technology related services to all County departments. This includes network services, electronic mail services, PC support services, application development/support services, technical project management and ITS consulting services. The method used to allocate the cost is based on a formula that incorporates eight ITS functional categories and is spread based on the number of Full-Time-Employees (FTE) and PCs. Since it is more cost effective for smaller government agencies to enter into an agreement with ITS for these type of technology services than it is for the agencies to contract these services from private organizations, the Napa Sanitation District and the Local Agency Formation District (LAFCO) have requested to receive full technology services from ITS.

Napa Sanitation District's ITS cost for fiscal Year 2014-15 is \$332,120, which is \$46,628 increase from the previous fiscal year. Napa Sanitation Board approved the proposed amendment to Agreement No. 6898 at their May 7, 2014 meeting. Main reason for the increase in cost is due to the number of PC counts increasing from 48 to 54. LAFCO's ITS cost for fiscal Year 2014-15 is \$23,663, which is \$1,289 increase from the previous fiscal year. LAFCO's Commission approved the proposed amendment to Agreement No. 4433 at their April 7, 2014 meeting.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Helene Franchi