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EXECUTIVE SUMMARY

The City of Portland, Oregon’s Office of Management and Finance (OMF) is responsible for the management of the finances, but not budget, and accounting of the City of Portland. This responsibility includes the prudent setting of rates for inter-bureau and inter-departmental purchasing and spending, so that the City may be good stewards of the taxes and financial contributions of the citizens of Portland. City Policy states that ‘business service activities that recover costs through rates and interagency agreements will periodically compare the cost of their fees and rates with other comparable agencies and/or businesses, and report these findings to their customers.’

In order to best manage this responsibility, OMF conducts a rate study every three years to assess its rates charged for services, to be provided to the City Council and the City Budget Office in the Requested Budget submission. This particular study was completed in 2015 by Synergy Resources Group (SRG), and encompassed four categories across OMF’s departments: Fleet Services, Facilities Services, Printing & Distribution, and Technology Services. The City requested that Synergy Resources Group study both public and private entities in order to ensure that rates—managed through Internal Service Funds in the City of Portland—were reasonable and calculated based on actual costs of services.

In addition, they wanted the study to inform OMF and the City to determine a number of impacts: the degree to which a particular service provides benefit to the entities using them; the economic impact of new or expanded rates in comparison to private sector entities but especially in comparison with other similarly-sized city governments and others in the metropolitan area; the comprehensive cost of providing a service, including all associated processing; the impact of increasing rates on economically at-risk populations and/or businesses; and how these rates contribute to overall City goals.

Synergy Resources Group determined that prior to initiating any type of comparison between entities that the guidelines for comparison needed to be established, so as to appropriately and accurately form recommendations. Therefore, in comparing both public and private entities, Synergy Resources Group noted that in order to have a direct, one-to-one, “Apples to Apples” comparison, both the entities methodologies and rates had to be comparable. However, when the City’s rates, cost elements and methodologies were similar to the private sector rates without knowing private sector cost elements and methodologies a valid comparison can exist. An apples to oranges comparison is when the cost elements and/or methodologies are not readily comparable resulting in an invalid comparison. However, the costs of each service may still be able to be compared.

Six comparable cities were selected to be studied in order to compare both their rates and methodologies with the City’s. However, through data collection, it was learned that many cities do not leverage Internal Service Funds—therefore eliminating comparable
methodology—and fund costs through General Fund dollars. For example, three have outsourced their Printing and Distribution services to private sector enterprises, none have comparable Motor Pool or Office Space rates, and several combine Trunked Radio Access rates with Radio Shop rates. Rates in many cases were the same or the City’s was on the lower end of the public sector, but this, of course, was a far less valid comparison from which to draw conclusions.

A variety of private entities, referred to anonymously by code throughout this report since many of them did not realize they were participating in this project, were also studied in the four categories, as well. Due to the fact that their methodologies for arriving at their rates were not—and could not be—known, beyond the certainty that they were influenced by the market, they provided a basis for a valid comparison with the private sector. Private sector costs fluctuated frequently with the market, and the word “negotiable” was heard often in data collection conversations, particularly surrounding Facilities Services, Printing and Distribution, and Technology Services. Additionally, service levels vary widely in the private sector, and many private sector entities do not wish to publicize the rates due to competition. Many of the City’s Fleet Services and Printing and Distribution rates were within the range or lower than the private sector, and most of the City’s Facilities Services rates were both lower and more inclusive of cost elements than the private sector rates. Bureau of Technology Services were cost competitive overall and in most cases lower than private sector rates.

Encouragingly, an array of area studies, rate surveys, and individual relationships to obtain average rates for the categories were able to be reviewed and accounted for in the study. Rate surveys were particularly helpful in aiding the phone calls to private sector entities, who often declined to provide a quote unless a baseline was mentioned. Anecdotally, private sector entities who understood that they were providing their rates in order to aid a City of Portland rate study mentioned that they were pleased to participate and encouraged that the City was being proactive in evaluating their rate structures.

Within the public and private data collection, despite these challenges, the study revealed the following final recommendations for changes to the City’s rates, based on the rates of other similar cities and private sector businesses in the metropolitan area:

**RECOMMENDED NO CHANGE TO THE CITY’S RATE**

- **FLEET SERVICES**
  - **Technician/Mechanic Hourly Rate:** No change to the City’s Technician Hourly Rate methodology. The City’s rate is within the Metro Area survey range of $100-$108 per hour.
  - **Shop Consumables Rate:** No change to the Shop Consumables Rate methodology. The City’s rate is within the range of the Metro Area survey range of 1%-5%.
• **FACILITIES SERVICES**
  
  o **1900 Building (Class A) Office Space Rate:** No change to the City’s Office Space Rate methodology because it includes the cost elements needed for setting the rate. Without the City’s debt service their rate would be below the current range of comparable Class A buildings in the Metro area.
  
  o **Portland Building (Class B) Office Space Rate:** No change to the City’s Office Space Rate methodology because it includes the cost elements needed for setting the rate. The City’s rate is below the lowest rate on the range of comparable Class B buildings in the Metro area.
  
  o **Property Management Hourly Rate:** No change to the City’s Property Management Hourly Rate methodology. The City’s rate is higher than the range of comparable private sector service providers because it includes all the costs associated with providing property management services.
  
  o **Project Management Hourly Rate:** No change to the City’s Project Management Hourly Rate methodology. The City’s rate is higher than the range of comparable private sector service providers because it includes all the costs associated with providing project management services.
  
  o **Maintenance Technician Hourly Rate:** No change to the City’s Maintenance Technician Hourly Rate methodology because it includes the cost elements needed for setting the rate. The City’s rate is also within the range of comparable private sector technical trades service providers.

• **PRINTING & DISTRIBUTION**
  
  o **Production Staff Hourly Rate:** No change to the City’s Production Staff Hourly Rate methodology because it includes the cost elements needed for setting the rate. The City’s rate is within the range of comparable private sector service providers.
  
  o **In Bureau Copier Rate:** No change to the City’s In Bureau Copy Rate because it includes the cost elements needed for setting the rate and results in a lower cost compared to the private sector.
  
  o **Copy Center Rate:** No change to the City’s Copy Center Rate methodology. The City’s rate includes all the cost elements needed for setting the rate. The City’s Copy Center Rate is cost competitive. The City’s rate is per sheet (one-sided or two-sided). The private sector rates are charged per image on each sheet of paper.

• **TECHNOLOGY SERVICES**
  
  o **Trunked Radio Access Rate:** No change to the City’s Trunked Radio Access Rate methodology because it includes the cost elements needed for setting the rate. The rate is mid-range between the lowest and highest comparable private sector
service providers.

- **Business Solutions Hourly Rate:** No change to the City’s Business Solutions Hourly Rate because it includes the cost elements needed for setting the rate. The rate is lower than the range of comparable private sector service providers.

- **Support Center Rate:** No change to the City’s Support Center Rate methodology because it includes the cost elements needed for setting the rate. The rate is lower than the range of comparable private sector service providers.

- **Project Management Hourly Rate:** No change to the City’s Technology Project Management Hourly Rate methodology because it includes the cost elements needed for setting the rate. The rate is much lower than the range of comparable private sector service providers.

- **Radio Shop Hourly Rate:** No change to the City’s Radio Shop Hourly Rate methodology because it includes the cost elements needed for setting the rate. It is within the range of comparable private sector service providers.

**RECOMMENDED INCREASE OF RATE**

- **FLEET SERVICES**
  - **Parts Mark Up:** It would be reasonable for the City to increase their Parts Mark Up Rate. Currently, it is based on the total parts rate budget ÷ expected parts issued (based on historical sales). The City’s rate is well below the Metro area survey average rate; however, it is in line with the parts markup rate that Charlotte, NC charges. We recommend that the City ensure that every person that touches the part is being accounted for in the current labor costs, including labor to purchase and manage inventory plus the labor necessary to pick up parts. Additional resources generated could be used to fund new initiatives.

  - **Motor Pool Rate:** The City’s Motor Pool Hourly Rate, which includes the cost elements needed for setting the rate, is similar to the rates charged by comparable private sector providers. However, the City’s daily rates are much lower than the daily rates for the same private sector providers. It would be reasonable for the City to explore increasing their daily motor pool rate to $42 per day, which is less than the lowest daily rate for comparable private sector providers. Additional resources generated could be used to fund new initiatives.

- **FACILITIES SERVICES**
  - No rate increases recommended

- **PRINTING & DISTRIBUTION**
  - No rate increases recommended
TECHNOLOGY SERVICES
  • No rate increases recommended

RECOMMENDED DECREASE OF RATE
  • No rate decreases recommended

In addition to the cost for services rates, the City also requested Synergy Resources Group’s analysis and comparison of four rates based on cost allocation methodology; rates where a budget for a program are allocated to users based on metrics. The City selected the following rates to compare: Email Account Rate, Server Rate, Desktop Rate, and Information Security Rate. Maximizing the level of direct costs and minimizing the level of indirect costs is the preferred method of rate development, which Synergy Resources Group substantiated during extensive analysis. The purpose of the rate analysis was to determine the soundness of the City’s methodology and how the City’s rates compare to private and public sector entities. These four cost allocation rates under the Bureau of Technology Services, however, were difficult to compare to the private sector, due to the nature of the private sector market and the tendency to ‘bundle’ disparate offerings into a single package price. There were several methodologies for how costs were allocated for certain categories which were not comparable, but through similar processes as mentioned previously, recommendations were able to be made.

RECOMMENDATIONS TO COST ALLOCATION METHODOLOGY
  • Maintain existing methodology for cost allocation.

Through careful analysis, Synergy Resources Group determined that the methodology the City uses for Cost Allocation for Email Rates, Server Rates, Desktop Rates, and Information Security is sound and that the steps taken to arrive at that methodology are logical and reasonable—therefore, the City should continue using their existing methodology for these four rates.

Synergy Resources Group (SRG) successfully met all goals for this rate study. SRG analyzed the methodology with which the City selects rates and compared them to other private and public sector entities, documenting via the Guidelines for Comparison whether or not these individual rates could be compared and recommending changes based on that analysis. Rates, comments, setbacks, narrative detail, and methodology are all described in the detailed report. SRG also provided the documentation of the method used to collect data and make recommendations within this report, so that the City may replicate this type of study in the future.
INTRODUCTION & BACKGROUND

The City of Portland, Office of Management and Finance (OMF) consists of the Bureau of Human Resources, Bureau of Internal Business Services, Bureau of Technology Services, Bureau of Revenue and Financial Services, Office of the Chief Administrative Officer, and Citywide Projects (an OMF organization chart is available in Appendix 7.1 of this report). OMF requested the provision of an independent review and recommendations regarding rates charged to internal customers for services provided by business units within OMF, with “rates” encompassing the total cost of providing a given service.

Synergy Resources Group led a multi-faceted study of rates charged by OMF and by comparable public and private business entities. Four categories of services—Fleet Services, Facilities Services, Printing and Distribution, and Technology Services—were studied with 17 varieties of rates within each for public and private entities. These particular categories and rates were selected for both their representation of OMF’s services as well as their easy translation within the study to comparable external private sector services. Six cities similar to Portland were selected by the City for public sector comparison for the same categories and rates. Additionally, a Cost Allocation study was performed in four subcategories of the Bureau of Technology Services to compare rates and methodologies with public and private sectors.

Synergy Resources Group reviewed rate methodologies, surveyed the private and public entities to determine the rates they charged for similar services, analyzed whether the rates and total cost of service could be legitimately compared with the City’s rates, and summarized findings including how cost competitive the City is and whether changes in rates are recommended. The specifics of both the selections and study of both public and private entities is detailed later in this report.

The City’s analysis of this completed rate study will be used to determine a number of impacts:

- The degree to which a particular service provides benefit to the entities using them
- The economic impact of new or expanded rates, in comparison to private sector entities but especially in comparison with other similarly-sized City governments and others in the metropolitan area
- The comprehensive cost of providing a service, including all associated rates and processing
- The impact of increasing rates on economically at-risk populations and/or businesses
- How these rates contribute to overall City goals

This report documents Synergy Resources Group’s comparison of rates charged for services provided by business units within OMF to similar private and other public sector entities across the United States, and its provision of recommendations based on the analysis of its findings. This report also describes the methodologies used in the review, including sample questions, and organizational process, for application in future studies.
INTERNAL SERVICE PROVIDERS & SELECTED RATES

FLEET SERVICES

- Technician/Mechanic Hourly Rate
- Shop Consumables Rate
- Parts Markup Rate
- Motor Pool Rate

FACILITIES SERVICES

- 1900 Building (Class A) Office Space Rate
- Portland Building (Class B) Office Space Rate
- Property Management Hourly Rate
- Project Management Hourly Rate
- Maintenance Technician Hourly Rate

PRINTING & DISTRIBUTION

- Production Staff Hourly Rate
- In Bureau Copier Rate
- Copy Center Rate

TECHNOLOGY SERVICES

- Trunked Radio Access Rate
- Business Solution Hourly Rate
- Support Center Hourly Rate
- Project Management Hourly Rate
- Radio Shop Hourly Rate
PROJECT GOALS

Beyond providing a report to OMF presenting rates for comparable public and private entities and creating a template with which OMF may conduct future studies, Synergy Resources Group had several specified goals for this rate study. These included the following:

Analyze the method which the City used to select rates and compare with similar public sector organizations and private sector service providers. Rather than only comparing rates dollar for dollar, attention was given to the method with which the rates were calculated and selected.

Document recommendations about whether, and why, individual rates can or cannot be compared, and recommend any changes to the list of rates to compare. After analyzing the methodology, Synergy Resources Group made recommendations as to whether or not weight should be given to specific public and/or private sector rates due to a variety of factors being of unequal weight. These comparisons are listed in the subsequent ‘Guidelines for Comparison’ section.

For those rates selected for comparison, identify up to five appropriate entities for comparisons. Compare rates, documenting contacts, methodologies, assumptions and reasons for significant variances. Provide sufficient documentation so the comparison can be replicated by the City in the future. Specific details and contacts are provided for similar City governments that were contacted, as well as the departments within them. Special codes were used to protect private sector contacts and entities, but the types of businesses as well as interviewing techniques are listed in the subsequent ‘Private Sector Rate Comparison Methodology Explanation’ section.

Ensure that services studied are similar and that methods of calculating rates can be readily compared; e.g., the hourly rate of a fleet mechanic should be compared with an organization that provides a similar service and recovery costs in a similar manner. Care was given to specify similar entities within the public sector study portion, as well as to specify the exact type of services needed in the private sector study portion. Synergy Resources Group aimed to obtain rates from at least three private sector entities in order to provide a minimum of comparable data.

Establish a guideline to compare data collected from the public and private sectors with the City’s rate. This guideline is listed in the subsequent ‘Guidelines for Comparison’ section and provides a reference point for analyzing data in a three-tiered, easy-to-comprehend coded form.

Develop a comprehensive Rate Study report with findings and recommendations to present to OMF. The following content represents this Rate Study report.
ANALYSIS APPROACH

In order to accomplish the goals listed in the preceding section, Synergy Resources Group analyzed a selection—chosen by OMF—of 17 different City rates charged for a variety of services across four categories, obtaining the best cross-section of City services and provisions that could be compared to both private and public sector entities. Types of private sector businesses and other City departments are further described in their respective subsequent rate comparison sections.

RATES DETAIL

OMF’s selection of a cross-section of City rates divided 17 rates across 4 categories. The category, rate name, rate description, City rate methodology (i.e., how the City arrives at that rate), and General Fund Overhead (GFO) markup percentages (i.e. the cost that funds incur for services such as council, accounting, auditing, attorney, etc. that have to be passed through to customers) for each rate are listed on individual rate pages in the “City and Private Sector Rate Comparison” section.

ANALYSIS QUESTIONS

Prior to beginning the study, which spanned a four-month period from beginning to end, Synergy Resources Group developed a series of analysis questions to guide the collection of data for the report and its conclusions. The following are sample questions that were used to determine rate recommendations for OMF:

- What cost elements are used to set rate budgets?
- How are the rates calculated?
- Are there additional cost elements that should be included? What do they represent?
- How are budget-vs.-actual variances handled in future budgets?
- Is the allocation of labor costs consistency applied? (i.e. percentages, tracking time)
- Are funds using a standardized methodology to calculate internal service rates?
- Is the methodology sound?
- Why are some rates easily comparable and others are not?
- What method should be used to measure the rate comparison data?
- Are there clues the private sector shares on how they set rates?
PROJECT APPROACH

Synergy Resources Group (SRG), after developing and reviewing the previous analysis questions for the study, took the following detailed approach to the entire project and subsequent report. Steps and tasks performed were adjusted along the way based on discoveries in the analysis, feedback from the public and private sectors, and feedback from the City.

PREPARATION AND CITY DATA ANALYSIS

Initially, at the outset, the City decided on the internal service rates they wished SRG to compare and gathered the data to compile into a ‘fund packet,’ which included all the workbooks and worksheets associated with each fund’s selected rates. SRG reviewed the cost elements in each fund packet and then examined the cell formulas in each cost element to determine how the result had been calculated, as well as where the numbers originated. SRG conducted research when a calculation did not reference an original data source or have a note or comment to support it.

In this instance, if note and comment sections were helpful but not consistently used to provide clarification, SRG searched the workbooks for the source of the numbers used in the calculation to see if they indeed existed. Questions were submitted to the City’s project team when SRG was unable to locate the sources of the calculations.

When a cell contained a number but no calculation, SRG performed an analysis: Is it an estimate based on previous years? Is it a change in recording? Is it a staff recommendation?

SRG discovered a number of ‘sidebar’ calculations outside of the main calculation. When it was unclear how the sidebar calculation related to the rate calculation, SRG submitted questions to the project team for additional information.

SRG referred to policies provided as well as the City’s website to translate acronyms, terminology, and abbreviations used internally. When it was still unclear, SRG submitted questions to the City’s project team for clarification and translation.

SRG documented the methodology for each fund’s selected rates while analyzing the rate to inform the final report. It recorded questions and recommendations about why some elements and not others were being used to calculate the rate and/or other concepts for more cost recovery. Analyzing the rate thoroughly was very important for SRG to be able to have an educated conversation with the public entities surveyed, as well as to be able to seek comparable studies to aid the research.
PRIVATE AND PUBLIC SECTOR DATA COLLECTION AND ANALYSIS

SRG then researched and prepared a private sector contact list, based on a careful cross-section of the rates and areas of service to study. Private sector data comparison worksheets and questions were then prepared to use when contacting businesses. SRG contacted the businesses and documented the data and the anecdotal comments received, taking care to be consistent in requests but manage the conversation as a regular customer would. When rates would not be revealed without a baseline, SRG referenced an array of area surveys and rate studies for an average quotable number to offer. Detailed sample scripts outlining the types of questions asked in order to arrive at the rates are listed in the subsequent Private/Public Sector Rate Comparison Methodology Explanation sections.

SRG prepared the public sector comparison spreadsheets, plus the questions and discussion points to use when contacting the identified cities. Those identified cities were then contacted, and SRG arranged conference call discussions and sent comparison worksheets.

After the contacts and data collection phase, SRG developed the specialized Guidelines for Comparison (detailed in its own subsequent section), which aided the comparison of the data and the analysis of the study. SRG prepared preliminary findings into a progress report in PowerPoint to present to the City’s project team, once in July and again in August. SRG collected BTS rate comparison data for the Cost Allocation Study from the private sector, and finalized, reviewed, and analyzed BTS workbooks and worksheets. Questions were prepared and submitted to the Project Team regarding BTS rate calculation worksheets where applicable. In September, SRG presented the draft study results to the City’s project team and provided electronic copies of the draft study results and PowerPoint for further review and feedback. In October, SRG presented the study’s Executive Summary to OMF Leadership and delivered the final Internal Rate Study Report to the Project Manager.

SUMMARY AND RECOMMENDATIONS

SRG then prepared an outline for the City’s Internal Rate Study Report, and continued to work with cities to collect public sector data. When/if comparison data was received, SRG reviewed public sector methodologies and internal studies. Subsequently, this Internal Rate Study final report, along with recommendations, was prepared and presented to the City within the allotted timeline in written format.
RESOURCES

Synergy Resources Group researched and reviewed a number of public and private sector resources—such as studies, surveys, and policy and procedure documents—in order to gain a better understanding of the direction to be followed by Internal Service Funds, determine industry standards prior to interviewing private sector businesses, and fill in the rate information and methodology gaps when private and public data was lacking and/or not available.

The following official City Policy and Procedure documents (available in the appendix) provided a foundation for the City portion of Synergy Resources Group’s analysis:

- Budget Development
- Fund Accounting
- Fund Balance
- Cost Recovery
- Capitalization
- Major Maintenance
- Replacement of Internal Service Funds

Additional surveys, studies, and other supporting documents are referenced within the section of the rate they were utilized and are available in the appendix.
GUIDELINES FOR COMPARISON

In order to compare rates for the purposes of this study, Synergy Resources Group needed to develop and define the criteria which it was comparing. As referenced previously, comparisons between public sector entities and private sector entities are often not directly translatable due to a number of variances (see subsequent “Summary of General Comments from Private Sector Entities” and “Summary of General Comments from Public Sector” sections). Therefore, Synergy Resources Group has developed three categories for comparisons to outline these variances and provide a visual guideline for weighing the significance of the data when making recommendations, which will be referenced throughout the report.

This guideline leans heavily on the phrase “comparing Apples to Apples”, which refers to comparing things that can reasonably be compared due to their conditions and quality, while the phrase “comparing Apples to Oranges” is used to represent a comparison that is either not comparable or perhaps impossible to compare.

<table>
<thead>
<tr>
<th>We note an <strong>Apples to Apples</strong> comparison when the City’s rate methodology and cost elements can be easily compared to private sector and/or public sector methodology and cost elements.</th>
</tr>
</thead>
<tbody>
<tr>
<td>We note a <strong>Red Apples to Green Apples</strong> comparison when the City’s rate methodologies and cost elements are similar to the rates or within the range of public sector and/or private sector rates. While the private sector rates are influenced by the market, comparing the City’s rates with the private sector is a valid cost comparison.</td>
</tr>
<tr>
<td>We note an <strong>Apples to Oranges</strong> comparison when the cost elements and/or methodologies are not readily comparable. This type of comparison applies when the City’s rate methodology and cost elements are known; but both private sector methodologies and cost elements are largely unknown, or are known and different. Without information on either private sector component, a comparison is not valid.</td>
</tr>
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</table>
PRIVATE SECTOR RATE COMPARISON

PRIVATE SECTOR COMMENTS

In researching and interviewing private sector entities to compare to public sector entity OMF, Synergy Resources Group ascertained a number of conditions that significantly affected the comparison and created the variables that are detailed in this report.

First and foremost, comparing public sector businesses with private sector businesses is generally *Apples to Oranges* comparison (see previous ‘Guidelines for Comparison’ section), due to the fact that in most cases there isn’t methodology information available to make a valid comparison. However, comparisons between the private and public sector on the whole inform the City and its customers about how their rates compare in the Portland market, and thus private sector rates are included in this report with a number of caveats listed below:

Private sector rates are not accompanied with methodology used to determined rates, due to the methods with which the information was obtained—for example, most of the private sector businesses were not aware they were participating in the study, as questions were asked about rates from the perspective of a prospective customer.

Private sector competitiveness in the marketplace, as opposed to controlled and deliberate public sector internal cost of services rate methodology, is what drives private sector rate adjustments. Therefore, this causes them to fluctuate frequently and complicates further the comparison between rates. The word “negotiable” was heard most often in data collection conversations surrounding City Facilities Services as well as Printing and Distribution and Technology Services.

Given the fluctuation due to market competitiveness, private rates are negotiable, thereby creating a market/cost range which may or may not be different six months from now. Moreover, many private sector businesses do not want to publicize their company rates due to competition (Synergy Resources Group heard this on a consistent basis).

Service levels as well as costs also vary widely in the private sector. The degree of service levels offered to consumers varies significantly depending on the service itself as well as the consumers purchasing the service. Costs associated with each service level—particularly with labor—vary, and overhead costs vary more widely depending on a number of factors. Synergy Resources Group heard the word “variables” mentioned frequently in labor and overhead cost areas.
PRIVATE SECTOR ENTITY CONTACTS

In order to preserve the privacy of the private sector entities that provided the data for the rates comparison, Synergy Resources Group developed a coding system for the purposes of this report. The types of private sector businesses contacted for each rate in four categories are listed below.

FLEET SERVICES

- Auto Repair Shops
- Auto Rental Offices
- Car Sharing Offices
- Trade Association

FACILITIES SERVICES

- Commercial Real Estate Companies
- Property Management Companies
- Construction Management Companies
- Plumbers
- Electricians
- Law Offices
- Consultancies

PRINTING & DISTRIBUTION

- Copy Centers
- Printing Associations
- Graphic Design Offices
- Law Offices

TECHNOLOGY SERVICES

- IT Consulting Firms
- Telecommunications Equipment Suppliers
- Wireless Phone Service Companies
- Network Solutions Companies
- Web Hosting Companies
- Tower Communications Service Companies
PRIVATE SECTOR RATE COMPARISON METHODOLOGY EXPLANATION

In most cases, while interviewing private sector entities, SRG invented a ‘story’ that they were a private citizen or a business in need of a service or product. This rationale was used in order to obtain a price just as a regular private sector customer would, so as to not skew the results by mentioning a City survey. In some cases, SRG knew the private sector business personally, and therefore was able to reveal that the rate information was for a study being conducted by the City. Many of these questions, particularly the initial ones, found most business unwilling to provide a quote or estimate over the phone—in these cases, a sample rate was offered and the business was asked if their rate was comparable. Sample scripts and questions used throughout these data collection conversations are included with each rate.

FLEET SERVICES

“I have a car that needs repair, and I’d like to know what your hourly rate is in order to compare it with other shops.”

“I have another shop’s quote in front of me, and they list an estimate for shop supplies. What do you charge for shop supplies?”

“Also, I understand there is usually a markup for parts—do you mark up yours? I’m asking only because I heard that the average was around 80%...”

[if the shop responded that they don’t like to give quotes over the phone, the caller asked if they used a standard rate—if the shop said yes, the caller asked what it was]

FACILITIES SERVICES

“What is the per square foot rate for office space in a Class A building (approximately 140,000 square feet) run in the City? What is the square foot rate for office space in a Class B building (approximately 300,000 square feet)?

“What’s the charge of managing a building like this? Is it calculated in the space rent? If you charge a salary to an individual, is it comparable to this other quote I have?”

“My company has a building that we’re interested in having your organization manage it. Can you tell me about rates you charge?”

“We’re looking to do a small construction project inside of a 120,000 square foot building to build out a reception area and paint all of the internal walls. We need someone with project management expertise to manage the project for us. What would you charge? I have a quote here from another potential vendor—would yours be about the same?”

“Our warehouse has an issue with plumbing, with the sinks backing up and some are leaking. It’s been a long time since I’ve had to call a plumber, so I wanted to check on what the hourly
rate is these days—can you give that to me? Is there a separate cost for the truck to come out to the space?”

“The air conditioner in our 20,000 square foot building has stopped cooling. I haven’t had to call anyone out to fix this problem for years—what’s the hourly rate to come check it out and fix it these days?”

PRINTING & DISTRIBUTION

“I have a large project I’m working on, and wanted to see what your company charges per hour in order to help coordinate the design and assembly of this document.”

“The project is to prepare conference packets of spiral-bound notebooks with several hundred pages for approximately 200 people. Can you provide a rough estimate?”

“Is there a production rate for this? How about an hourly design rate?”

“We really would like to bring all of our work to you in once place. What do you charge for black and white copies? What about color copies?”

“My business is interested in leasing a copy machine. How much would it cost to lease an average copier that we expect will copy about two million pages a year? What do these packages include in terms of allowable copies, over-allowed rate, maintenance, supplies, etc.?”

TECHNOLOGY SERVICES

“We have an event where we’d like to use radios for staff to communicate. We may or may not need to actual lease or rent radios—are you able to provide us with prices for both scenarios?”

“My business is looking for IT services—can you provide rate information for a variety of options? For example, what does your business charge for programming? What about troubleshooting random computer issues, or answering staff questions about error messages and the like? I have another quote here for an average rate—is yours comparable to that?”

“My company is getting quotes to install a telephone system, and I’d like to know what the hourly rate is to set up a system.”

“What about your hourly rate to set up a network server and 12 workstations?”
FLEET SERVICES RATE COMPARISONS

**Technician/Mechanic Hourly Rate**

*The hourly rate charged to customers for each hour needed to diagnose and repair a vehicle.*

*The Technician Hourly Rate is calculated by dividing the total Technician Hourly Rate Budget by the total billable hours. A General Fund Overhead (GFO) markup rate of 4.5% is added to the Technician Hourly Rate.*

CITY’S METHODOLOGY

**RATE BUDGET: COST ELEMENTS**

- Labor: All costs associated with the employees (salary, employee benefits, etc.) who are involved in providing the service
- Bureau of Internal Business Services (BIBS) administration allocation included
- External: e.g. utilities, office supplies, repair/maintenance, continuing education, allocation for future vehicle/equipment replacement
- Internal: Rates charged by other IA service providers (e.g. Risk, Facilities, BTS, etc.)
- Capital Outlay: Determined by the fleet manager based on the expected needs of new equipment
- PERS Debt Retirement

CITY AND PRIVATE SECTOR COMPARISON TABLE – 1.1

<table>
<thead>
<tr>
<th>OMF/BUSINESS</th>
<th>BASE ($)</th>
<th>MARKUP</th>
<th>RATE ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Hourly Rate</td>
<td>102.09</td>
<td>4.50%</td>
<td>106.68</td>
</tr>
<tr>
<td>F-1</td>
<td>96.00</td>
<td>3.0%</td>
<td>98.88</td>
</tr>
<tr>
<td>F-2</td>
<td></td>
<td></td>
<td>105.00</td>
</tr>
<tr>
<td>** More Experienced Tech</td>
<td></td>
<td></td>
<td>120.00</td>
</tr>
<tr>
<td>F-3</td>
<td></td>
<td></td>
<td>105.00</td>
</tr>
<tr>
<td>NATA Metro Area Reports – Average</td>
<td></td>
<td></td>
<td>100.00</td>
</tr>
<tr>
<td>** Average Truck/RV Rate</td>
<td></td>
<td></td>
<td>108.00</td>
</tr>
</tbody>
</table>

SUMMARY PRIVATE SECTOR RESPONSES

A number of repair shops of varying sizes were contacted throughout the metropolitan area. Many were hesitant to ‘quote’ a rate, citing that rates depended on the level of experience of...
the technician, the size of the repair, the type of vehicle, etc. Synergy Resources Group turned to available metro area surveys to provide more information.

In 2014, the Northwest Automotive Trades Association (NATA) distributed a rate survey (included in Appendix 2.1 to this study) to more than 1,500 shops throughout Oregon. About 100 shops from around the state responded. The average size of the shops that responded was fairly similar statewide. Most had 7-9 bays, 3-5 technicians and 2-3 people working in the office.

The general shop rate for technicians is $90, and the statewide average rate is $95; however, Portland shops have labor rates which are approximately $10 more per hour than shops outside of the Portland area. About 1 in 8 of all shops have a labor rate above $100, and though 11 percent of responding shops in the Portland area have a labor rate of $95, their diagnostic rate is as high as $120 per hour.

Shops in Portland and the Willamette Valley tend to charge more than their general labor rate for diagnostic work; elsewhere in the state, shops tend to charge less than their general labor rate for diagnostic work. There is even more range in diagnostic rates shop to shop, from a low statewide rate of $35 to a high of $120 per hour.

Shops in most markets charge about $8 more per labor hour for truck or RV work than the shop’s general labor rate.

SUMMARY

- City’s rate methodology and cost elements are known; however, private sector methodologies and cost elements are unknown.
- Private sector rates appear to be market driven. Anecdotally, the employee’s education, certifications, and experience were factors in determining the private sector hourly rate.
- City’s rate of $106.68 is within the Metro area range of $100-$108 per hour and cost competitive with private sector options.
- Comparing the City’s rate with the private sector is a valid comparison.

RECOMMENDATION

No change to the City’s Technician Hourly Rate methodology. The City’s rate is within the Metro Area survey range of $100-$108 per hour.
FLEET SERVICES RATE COMPARISONS

Shop Consumables Rate

An industry standard that is a percentage (primarily an indiscriminate percentage with no real basis) charged to the customer/bureaus to cover the costs of supplies used to service vehicles—such as disposal of oil, cleaning supplies, etc.

The Shop Consumables Rate is calculated by dividing projected shop supply costs for the upcoming year by the total Fleet Maintenance Rate Budget. The markup is applied to every work order.

CITY’S METHODOLOGY
RATE BUDGET: COST ELEMENTS

- Shop Supplies Budget funds consumables; e.g. shop cloths, nuts, bolts, fasteners, and cleaning fluids
- Budget also includes hazardous materials and disposal fees

CITY AND PRIVATE SECTOR COMPARISON TABLE – 1.2

<table>
<thead>
<tr>
<th>OMF/BUSINESS</th>
<th>BASE ($)</th>
<th>MARKUP</th>
<th>RATE</th>
<th>CAP ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Rate</td>
<td>1.40%</td>
<td>4.50%</td>
<td>1.46%</td>
<td></td>
</tr>
<tr>
<td>F-1</td>
<td></td>
<td></td>
<td>1.00%</td>
<td></td>
</tr>
<tr>
<td>F-2</td>
<td></td>
<td></td>
<td>3.88%</td>
<td></td>
</tr>
<tr>
<td>F-3</td>
<td></td>
<td></td>
<td>5.00%</td>
<td>18.50</td>
</tr>
<tr>
<td>NATA Metro Area Report</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flat Fee</td>
<td></td>
<td></td>
<td></td>
<td>$4.86</td>
</tr>
<tr>
<td>% OF Labor</td>
<td></td>
<td></td>
<td></td>
<td>5.00%</td>
</tr>
<tr>
<td>Cap</td>
<td></td>
<td></td>
<td></td>
<td>31.22</td>
</tr>
</tbody>
</table>
SUMMARY PRIVATE SECTOR RESPONSES

Similar to the hesitation to ‘quote’ a rate over the phone for the technicians, shops were even more hesitant to admit that they marked up consumables, much less detail their rate. However, once SRG mentioned that they heard the average was around 80%, most were willing to provide their rates. F-1, F-2, and F-3 all had rates as percentage of labor—and as one can see they varied widely as per market fluctuations—with F-3 capping at $18.50. These businesses were compared to the average cited in the NATA Metro Area Report.

SUMMARY

- City’s rate methodology and cost elements are known; however, private sector methodologies and cost elements are unknown.
- Some of the shops have disclosed their approach to rate setting; e.g. a percentage of the labor and flat fee. In either case, their rates are likely driven by the market.
- Generally, shop consumables can be an easy source of revenue in the private sector. Therefore, what the shop charges is determined by what the market will bear.
- City’s rate of 1.46% is on the lower end range of what the private sector charges in the Metro area survey and is cost competitive with private sector options. The range is 1%-5% for shop consumables.
- While an Apples to Oranges comparison, comparing the City’s rate with the private sector is a valid comparison for overall costs.

RECOMMENDATION

No change to the Shop Consumables Rate. The City’s rate is within the range of the Metro Area survey range of 1%-5%.
FLEET SERVICES RATE COMPARISONS

Parts Markup Rate

An industry standard that is a percentage (primarily an indiscriminate percentage with no real basis) charged to the customer/bureaus for the handling of parts used to repair vehicles.

In Fleet Services, the Parts Markup Rate is calculated by dividing the total Parts Markup Rate Budget by the expected parts issued (based on historical data). A General Fund Overhead (GFO) markup rate of 4.5% is added to the Parts Markup Rate.

CITY’S METHODOLOGY
RATE BUDGET: COST ELEMENTS

- Labor: All costs associated with the employees (salary, employee benefits, etc.) who are involved directly and indirectly in providing the service
- External: e.g. office supplies, education, tools
- Internal: Rates charged by other IA service providers (e.g. Risk, Facilities, etc.)
- Capital Outlay: Determined by the fleet manager based on the expected needs for new equipment
- PERS Debt Retirement

CITY AND PRIVATE SECTOR COMPARISON TABLES – 1.3 & 1.4

<table>
<thead>
<tr>
<th>OMF/BUSINESS</th>
<th>BASE ($)</th>
<th>MARKUP</th>
<th>RATE %</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Markup</td>
<td>21.80%</td>
<td>4.50%</td>
<td>22.78</td>
</tr>
<tr>
<td>F-1</td>
<td></td>
<td></td>
<td>125.00-135.00</td>
</tr>
<tr>
<td>F-2</td>
<td></td>
<td></td>
<td>See Auxiliary After-Market Table on next page</td>
</tr>
<tr>
<td>F-3</td>
<td></td>
<td></td>
<td>30.00-50.00</td>
</tr>
<tr>
<td>NATA Metro Area Survey</td>
<td></td>
<td></td>
<td>83.00</td>
</tr>
</tbody>
</table>
SUMMARY PRIVATE SECTOR RESPONSES

Once again, getting businesses to cite their markup rates was difficult. The previous tables illustrate well how one shop (F-2) recovers costs and additional revenue. According to the NATA survey, there is a significant variance in how much shops mark up prices on parts. Portland shops charge a customer approximately $183 for an aftermarket part that costs the shop $100—an 83% markup. Original Equipment Manufacturer (OEM) parts average 50%, and used parts 55%.

SUMMARY

- City’s rate methodology and cost elements are known; however, private sector methodologies and cost elements are unknown.
- Generally, parts markup can be an easy source of revenue in the private sector; therefore shop charges are determined by what the market will bear.
- Based on the shops contacted, the parts markup rate ranges 1.7% - 300%.
- City’s rate is on the lower end of the range and much lower than the average 83% markup reported in the Metro area report.
- While an Apples to Oranges comparison, comparing the City’s rate with the private sector is a valid comparison for overall costs.

RECOMMENDATION

It would be reasonable for the City to increase their Parts Markup Rate. Currently, it is based on the total parts rate budget ÷ expected parts issued (based on historical sales). The City’s rate is well below the Metro area survey average rate. We recommend that the City ensure that every person that touches the part is being accounted for in the current labor costs, including labor to purchase and manage inventory plus the labor necessary to pick up parts. Additional resources generated could fund new initiatives.
FLEET SERVICES RATE COMPARISONS

Motor Pool Rate

An hourly, weekly, or monthly rate charged to users (from various bureaus) to use vehicles in the City’s Motor Pool to attend meetings, conduct City business, etc.

The Motor Pool Hourly Rate is calculated by dividing the total Motor Pool budget by the estimated hours charged. A General Fund Overhead (GFO) markup rate of 4.5% is added to the Motor Pool Rate.

CITY’S METHODOLOGY
RATE BUDGET: COST ELEMENTS

- External: e.g. fuel, repair and maintenance
- Internal: Rates charged by other IA service providers (e.g. Facilities)
- Capital Outlay: Determined by the fleet manager based on the costs to replace in the future

CITY AND PRIVATE SECTOR COMPARISON TABLE – 1.5

<table>
<thead>
<tr>
<th>OMF/BUSINESS</th>
<th>BASE ($)</th>
<th>MARKUP</th>
<th>HOURLY ($)</th>
<th>DAILY ($)</th>
<th>MONTHLY FEE ($)</th>
<th>INCLUDED W/RATE</th>
<th>ADDITIONAL COSTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Hourly Rate</td>
<td>6.87</td>
<td>4.50%</td>
<td>7.18</td>
<td>35.00</td>
<td></td>
<td>Gas</td>
<td>Insurance</td>
</tr>
<tr>
<td>F-5 – Monthly Option 1</td>
<td></td>
<td></td>
<td>7.75-8.25</td>
<td>74.00</td>
<td>10.00</td>
<td>Gas/Ins 180 miles free per day</td>
<td>$25.00 Application Fee</td>
</tr>
<tr>
<td>F-5 – Monthly Option 2</td>
<td></td>
<td></td>
<td>7.75-8.25</td>
<td>74.00</td>
<td>7.00</td>
<td>Gas/Ins 180 miles free per day</td>
<td>$25.00 Application Fee</td>
</tr>
<tr>
<td>F-5 – Monthly Option 3</td>
<td></td>
<td></td>
<td>7.75-8.25</td>
<td>74.00</td>
<td>No Monthly Fee</td>
<td>Gas/Ins 180 miles free per day</td>
<td>$25.00 Application Fee $70.00 Annual Fee</td>
</tr>
<tr>
<td>F-6</td>
<td></td>
<td>14.99</td>
<td>84.99</td>
<td>No Monthly Fee</td>
<td>Gas/Ins</td>
<td></td>
<td>Gas/Ins. Driver protection Fee $1.00 $35.00 One-Time Fee</td>
</tr>
<tr>
<td>F-7 (Economy)</td>
<td>58.50</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Gas/Ins</td>
<td></td>
</tr>
<tr>
<td>(Full Size)</td>
<td>72.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Gas/Ins</td>
<td></td>
</tr>
<tr>
<td>F-8 (Economy)</td>
<td>64.79</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Gas/Ins</td>
<td></td>
</tr>
<tr>
<td>(Full Size)</td>
<td>72.89</td>
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<td></td>
<td></td>
<td></td>
<td>Gas/Ins</td>
<td></td>
</tr>
</tbody>
</table>
SUMMARY PRIVATE SECTOR RESPONSES

There is a very wide variety of Motor Pool options in the private sector, with variances based on types of trips and add-ons. Note that in the table on the previous page, the private sector rate requires the customer to pay additional for their gas, insurance, or an application fee in contrast to the fact that these costs are included in the City’s rate.

F-5 has three options, two of which require a monthly fee. All three require the customer to pay an application fee. Each option includes gas and insurance and 180 miles free per day. The hourly rate is higher on Friday through Sunday.

F-6’s service is specifically meant for short day trips, and their rates vary based on mileage outside of the ‘home zone’ of Portland, minutes/hours/days, etc.

F-7 and F-8 rental services charge a premium if you rent at the airport locations vs. another Portland location.

SUMMARY

- City’s rate methodology and cost elements are known; however, private sector rates methodologies and cost elements are unknown.
- F-5/F-7/F-8 service is designed for daily and weekly use; they are competitive and more likely market driven. F-6’s service is designed for short trips and is much higher on daily trips.
- Based on the private sector businesses that were contacted, daily rates range from $58 to $85, and the City’s rate is well below the lower end of the range at $35.
- City’s rate is cost competitive with private sector options.
- While an Apples to Oranges comparison, comparing the City’s rate with the private sector is a valid comparison for overall costs.

RECOMMENDATION

The City’s Motor Pool Hourly Rate, which includes the cost elements needed for setting the rate, is similar to the rates charged by comparable private sector providers. However, the City’s daily rates are much lower than the daily rates for the same private sector providers. It would be reasonable for the City to explore increasing their daily Motor Pool Rate to $42 per day, which is less than the lowest daily rate for comparable private sector providers. Additional resources generated could be used to fund new initiatives.
FACILITIES SERVICES RATE COMPARISONS

TYPICAL RENT PROVISIONS IN COMMERCIAL LEASES

The Facilities Services category deals with commercial leases and the services and amenities that go with them. Most commercial leases calculate or establish rental amounts starting with a Base Rent. Most often, the initial Base Rent includes Operating Expenses for the building allocated on a square foot basis to each tenant for the most recent operating year preceding the beginning of the lease term (the “Base Year”).

In subsequent years of the Lease, the Tenant will pay the Base Rent plus any increase in the Operating Expenses over the Base Year as allocated to the rentable square feet of the lease. This increase is usually estimated and paid by the Tenant on a monthly basis, with a reconciliation and adjustment after the actual expenses have been calculated for the year.

The Base Rent may rise on an agreed schedule under the terms of the lease, but the charges for increased Operating Expenses usually continues, based upon the Base Year Operating Expenses, for the life of the lease. The following table illustrates this increase year over year, using an example based on a 5-year lease. Operating Expenses such as Maintenance, Utilities, Security, Property Taxes, Insurance, Janitorial, and Property Management are included (but it does not include Loan Principal or Landlord Income Taxes):

<table>
<thead>
<tr>
<th>TOTAL Rent = $316K</th>
<th>TOTAL Rent = $315K</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL Rent = $314K</td>
<td>TOTAL Rent = $315K</td>
</tr>
<tr>
<td>TOTAL Rent = $312K</td>
<td>TOTAL Rent = $314K</td>
</tr>
<tr>
<td>TOTAL Rent = $312K</td>
<td>TOTAL Rent = $314K</td>
</tr>
<tr>
<td>TOTAL Rent = $300K (Incl. Op. Exp.)</td>
<td>TOTAL Rent = $312K</td>
</tr>
<tr>
<td>Plus Increases in Op. Exp. (+$12,000)</td>
<td>Plus Increases in Op. Exp. (+$14,000)</td>
</tr>
<tr>
<td>Base Rent: $300K</td>
<td>Base Rent: $300K</td>
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<tr>
<td>Plus Increases in Op. Exp. (+$15,000)</td>
<td>Base Rent: $300K</td>
</tr>
<tr>
<td>Base Rent: $300K</td>
<td></td>
</tr>
<tr>
<td>Plus Increases in Op. Exp. (+$16,000)</td>
<td>Base Rent: $300K</td>
</tr>
<tr>
<td>Base Rent: $300K</td>
<td></td>
</tr>
</tbody>
</table>

1ST YEAR | 2ND YEAR | 3RD YEAR | 4TH YEAR | 5TH YEAR
1900 Building Office Space Rate – Class A Building

A per-square-foot rate charged to bureaus for the space used in a building of approximately 140,000 square feet.

The Office Space Rate is calculated by dividing the total Operations and Maintenance (O&M) and Major Maintenance (MM) and Revenues from other sources by the total building square feet. A General Fund Overhead (GFO) markup rate of 4.5% is added to the Office Space Rate.

CITY’S METHODOLOGY
RATE BUDGET: COST ELEMENTS

- Operations and Maintenance (O&M) (e.g. materials and services, and cost of facilities and staff)
- Major Maintenance (MM) (for funding a program to do large scale projects to replace/upgrade major building systems)
- Debt Service
- Less revenues from other sources
- Total building square feet (approx. 140,000 square feet)
CITY AND PRIVATE SECTOR COMPARISON TABLE – 2.2

<table>
<thead>
<tr>
<th>OMF/BUSINESS</th>
<th>BASE ($)</th>
<th>MARKUP</th>
<th>RATE ($)</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Space Rate</td>
<td>31.63</td>
<td>4.50%</td>
<td>33.05</td>
<td>Included in rate is $15.71 for debt service</td>
</tr>
<tr>
<td>FAC-1</td>
<td></td>
<td></td>
<td>22.00-24.00</td>
<td>Includes Taxes, Ins. &amp; Main/Op</td>
</tr>
<tr>
<td>Norris Stevens Market Report</td>
<td></td>
<td></td>
<td>25.00</td>
<td>Includes Taxes, Ins. &amp; Main/Op</td>
</tr>
<tr>
<td>Colliers Int’l Market Report</td>
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<td></td>
<td>28.50</td>
<td>Includes Taxes, Ins. &amp; Main/Op</td>
</tr>
<tr>
<td>FAC-2</td>
<td></td>
<td></td>
<td>28.00</td>
<td>Includes Taxes, Ins. &amp; Main/Op</td>
</tr>
<tr>
<td>FAC-3</td>
<td></td>
<td></td>
<td></td>
<td>Did Not Respond</td>
</tr>
<tr>
<td>FAC-4</td>
<td></td>
<td></td>
<td></td>
<td>Did Not Respond</td>
</tr>
<tr>
<td>Jones Lang LaSalle Report</td>
<td></td>
<td></td>
<td>27.50</td>
<td>Includes Taxes, Ins. &amp; Main/Op</td>
</tr>
<tr>
<td>CoStar Report</td>
<td></td>
<td></td>
<td>27.93</td>
<td>Includes Taxes, Ins. &amp; Main/Op</td>
</tr>
</tbody>
</table>

SUMMARY PRIVATE SECTOR RESPONSES

Commercial building facilities was the area in which businesses contacted displayed the least amount of interest in working with data collectors over the phone, including when questions were specifically asked to speak with someone about managing a property. Based on this poor showing, Synergy Resources Group turned to several Portland market analysis reports—rather than simply waiting to hear back from property management companies: Colliers, Norris Stevens, CoStar, and Jones Lang La Salle reports are all included in Appendices 2.2-2.5 to this study. Contact with law firms that represent tenants provided the typical commercial lease agreement. Operating Expenses such as Maintenance, Utilities, Security, Property Taxes, Insurance, Janitorial, and Property Management are included (but it does not include Loan Principal or Landlord Income Taxes).

Additional details are available in the immediate preceding “Typical Rent Provisions in Commercial Leases” section.
SUMMARY

• City’s rate methodology and cost elements are known, and typical private sector commercial lease rental provisions are available.
• Rates are also influenced by the market and subject to negotiation. The various studies and market analysis reports verify the market driven cost factors; e.g. available rental space in community.
• Based on the private sector businesses that were contacted, the rates charged by the private sector are very competitive.
• City’s rate is much higher due to debt service. $15.71 for debt service is included in their rate. After the debt is paid off, the City’s Office Space Rate for the 1900 building will be much less than the current market average on an A Class Building.
• Comparing the City’s rate with the private sector is a valid comparison.

RECOMMENDATION

No change to the City’s Office Space Rate methodology because it includes the cost elements needed for setting the rate. Without the City’s debt service their rate would be below the current range of comparable Class A buildings in the Metro area.
FACILITIES SERVICES RATE COMPARISONS

Portland Building Office Space Rate – Class B Building

A per-square-foot rate charged to bureaus for the space used in a building of approximately 300,000 square feet.

The Office Space Rate is calculated by dividing the total Operations and Maintenance (O&M) and Major Maintenance (MM) and Revenues from other sources by the total building square feet. A General Fund Overhead (GFO) markup rate of 4.5% is added to the space rate.

CITY’S METHODOLOGY
RATE BUDGET: COST ELEMENTS

- Operations and Maintenance (O&M) (e.g. materials and services & cost of facilities and staff)
- Major Maintenance (MM) (for funding a program to do large scale projects to replace/upgrade major building systems)
- Revenues from other sources
- Total building square feet (approx. 300,000 square feet)
CITY AND PRIVATE SECTOR COMPARISON TABLE – 2.3

<table>
<thead>
<tr>
<th>OMF/BUSINESS</th>
<th>BASE ($)</th>
<th>MARKUP</th>
<th>RATE ($)</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Space Rate</td>
<td>15.70</td>
<td>4.50%</td>
<td>16.41</td>
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</tr>
<tr>
<td>FAC-1</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Norris Stevens Market Report</td>
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<td></td>
<td></td>
<td>Includes Taxes, Ins. &amp; Main/Op</td>
</tr>
<tr>
<td>Colliers Int’l Market Report</td>
<td></td>
<td></td>
<td></td>
<td>Includes Taxes, Ins. &amp; Main/Op</td>
</tr>
<tr>
<td>FAC-2</td>
<td></td>
<td></td>
<td></td>
<td>Do Not Lease B Buildings, but Agreed With N.S. Analysis</td>
</tr>
<tr>
<td>FAC-3</td>
<td></td>
<td></td>
<td></td>
<td>Did Not Respond</td>
</tr>
<tr>
<td>FAC-4</td>
<td></td>
<td></td>
<td></td>
<td>Did Not Respond</td>
</tr>
<tr>
<td>CoStar Report</td>
<td></td>
<td></td>
<td></td>
<td>Includes Taxes, Ins. &amp; Main/Op</td>
</tr>
</tbody>
</table>

SUMMARY PRIVATE SECTOR RESPONSES

Commercial building facilities was the area in which businesses contacted displayed the least amount of interest in working with data collectors over the phone, including when questions were specifically asked to speak with someone about managing a property. Based on this poor showing, Synergy Resources Group turned to several Portland market analysis reports—rather than simply waiting to hear back from property management companies: Colliers, Norris Stevens, CoStar, and Jones Lang La Salle reports are all included in Appendices 2.2-2.5 to this study.

Additional details are available in the preceding “Typical Rent Provisions in Commercial Leases” section.

SUMMARY

- City’s rate methodology and cost elements are known, and typical private sector commercial lease rental provisions are available.
- Private sector building rates include Operating Expenses: Maintenance, Utilities, Security, Property Taxes, Insurance, Janitorial, and Management are included.
- Rates are also influenced by the market and subject to negotiation. The
various studies and market analysis reports verify the market driven cost factors; e.g., available rental space in community.

- Based on the private sector businesses that were contacted, the rates charged by the private sector are very competitive.
- City’s rate is much lower than the private sector range of $18.50-$24.42.
- Comparing the City’s rate with the private sector is a valid comparison.

**RECOMMENDATION**

No change to the City’s Office Space Rate methodology because it includes the cost elements needed for setting the rate. The City’s rate is below the lowest rate on the range of comparable Class B buildings in the Metro area.
FACILITIES SERVICES RATE COMPARISONS

Property Management Hourly Rate

An hourly rate charged to bureaus for costs associated with managing the property they own or buying and selling property.

The Property Management Hourly Rate is calculated by dividing the total Facilities Services Technical Staff Rate Budget by the total billable hours. A General Fund Overhead (GFO) markup rate of 4.5% is added to the Property Management Hourly rate.

CITY’S METHODOLOGY
RATE BUDGET: COST ELEMENTS

- Labor: All costs associated with the employees (salary, employee benefits, etc.) who perform property management responsibilities
- Materials and Services: e.g. office supplies, motor pool usage, insurance and technology
- Office space: Portland Building
- Facilities Services Administration plus BIBS Administration Costs
- Billable Hours = Total available hours less non-billable hours (e.g. sick hours, vacations, training)

CITY AND PRIVATE SECTOR COMPARISON TABLE – 2.4

<table>
<thead>
<tr>
<th>OMF/BUSINESS</th>
<th>BASE ($)</th>
<th>MARKUP</th>
<th>RATE ($)</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Hourly Rate</td>
<td>133.20</td>
<td>4.50%</td>
<td>139.19</td>
<td>Based on $100K Employee Salary/Benefits/Taxes - Hourly Rate Does Not Include All Cost Elements</td>
</tr>
<tr>
<td>FAC-1</td>
<td></td>
<td></td>
<td>48.07</td>
<td>Based on a Portland Area Survey Average With Benefits/Taxes Hourly Rate Does Not Include All Cost Elements</td>
</tr>
<tr>
<td>Norris Stevens Market Report</td>
<td></td>
<td></td>
<td></td>
<td>Information Unavailable</td>
</tr>
<tr>
<td>FAC-2</td>
<td></td>
<td></td>
<td>56.25</td>
<td>Based on a Portland Area Survey Average With Benefits/Taxes Hourly Rate Does Not Include All Cost Elements</td>
</tr>
<tr>
<td>FAC-3</td>
<td></td>
<td></td>
<td></td>
<td>Did Not Respond</td>
</tr>
<tr>
<td>FAC-4</td>
<td></td>
<td></td>
<td></td>
<td>Did Not Respond</td>
</tr>
</tbody>
</table>
SUMMARY PRIVATE SECTOR RESPONSES

Obtaining rates—and even interest—with regards to property management was very difficult, as many of the companies interviewed showed little to no interest. Most companies include the property management rate in the square footage charge, so it is difficult to break out separately; however, SRG was able to obtain the results of a Portland area survey that FAC-2 conducted.

FAC-2 provided a high ($160,000), low ($50,000), and average ($93,900) range of property manager salaries. Personal Time Off (PTO) averages 15-20 days per year, bonuses are generally an average of 19% of annual salary (30% being high / 1% being low). 50% of the respondents manage 251K – 500K square feet, 30% manage 1 million square feet, and 20% manage 500K – 999K square feet. 90% have 16+ years of experience; 80% hold a Bachelor’s degree, 15% have some college, and 5% hold at least a high school diploma. 90% hold professional designations or certificates. Salary varies depending on several factors, including the property they are managing, their experience level, the size and complexity of their responsibilities, and their background.

FAC-1 pays their property managers an average annual salary of $75,000 plus benefits and taxes, which is approximately $100,000 per year FTE.

SUMMARY

- City’s rate methodology and cost elements are known; however, private sector methodologies and cost elements are unknown.
- FAC-1’s rate was the hourly rate calculation for an employee responsible for property management. This rate does not likely include the total costs to provide property management services on an hourly basis.
- FAC-2’s rate was the average salary plus benefits/taxes for an employee with the title of Property Manager. It did not include administration to manage the employee or the materials and services the employee uses to perform their duties.
- Based on the private sector businesses that were contacted, the hourly rates charged by the private sector are competitive within the private sector.
- This is not a rate that can be compared to the private sector.

RECOMMENDATION

No change to the City’s Property Management Hourly Rate methodology. The City’s rate is higher than the range of comparable private sector service providers because it includes all the costs associated with providing property management services.
**FACILITIES SERVICES RATE COMPARISONS**

<table>
<thead>
<tr>
<th>Project Management Hourly Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>An hourly rate charged to bureaus for costs associated with managing facilities’ projects.</td>
</tr>
</tbody>
</table>

*The Project Management Hourly Rate is calculated by dividing the total Facilities Services Technical Staff Rate Budget by the total billable hours. A General Fund Overhead (GFO) markup rate of 4.5% is added to the Project Management Hourly rate.*

**CITY’S METHODOLOGY**

**RATE BUDGET: COST ELEMENTS**

- Labor: All costs associated with the employees (salary, employee benefits, etc.) who perform project management responsibilities
- Materials and Services: e.g. office supplies, motor pool usage, insurance and technology
- Office space: Portland Building
- Facilities Services Administration plus BIBS Administration Costs
- Billable Hours = Total available hours less non-billable hours (e.g. sick hours, vacations, training)
### CITY AND PRIVATE SECTOR COMPARISON TABLE – 2.5

<table>
<thead>
<tr>
<th>OMF/BUSINESS</th>
<th>BASE ($)</th>
<th>MARKUP</th>
<th>RATE ($)</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Hourly Rate</td>
<td>133.20</td>
<td>4.50%</td>
<td>139.19</td>
<td></td>
</tr>
<tr>
<td>FAC-1</td>
<td></td>
<td></td>
<td></td>
<td><strong>Hire Contractor or the Responsibilities Covered By An Employee</strong></td>
</tr>
<tr>
<td>Norris Stevens</td>
<td></td>
<td></td>
<td></td>
<td><strong>Information Unavailable</strong></td>
</tr>
<tr>
<td>Market Report</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FAC-2</td>
<td></td>
<td></td>
<td></td>
<td><strong>Hire Contractor or the Responsibilities Covered By An Employee</strong></td>
</tr>
<tr>
<td>FAC-3</td>
<td></td>
<td></td>
<td></td>
<td><strong>Did Not Respond</strong></td>
</tr>
<tr>
<td>FAC-4</td>
<td></td>
<td></td>
<td></td>
<td><strong>Did Not Respond</strong></td>
</tr>
<tr>
<td>FAC-5</td>
<td></td>
<td>60.00</td>
<td>1&lt;sup&gt;st&lt;/sup&gt; Hour ($35 After Per Person)</td>
<td></td>
</tr>
<tr>
<td>FAC-6</td>
<td></td>
<td>75.00</td>
<td>1&lt;sup&gt;st&lt;/sup&gt; Hour ($45 After Per Person)</td>
<td></td>
</tr>
<tr>
<td>FAC-11</td>
<td></td>
<td>50.00</td>
<td></td>
<td>Consultant work to manage project ONLY. Full project work including all legwork (maintenance and repair) would require in-person quote. Fee is added to subcontractors mark-up.</td>
</tr>
<tr>
<td>FAC-12</td>
<td></td>
<td>100.00</td>
<td></td>
<td>$100 Quote Fee, $250 Write-up Fee. Full project work including all legwork (maintenance and repair) would require in-person quote. Fee is added to subcontractors mark-up. Does not quote hourly pricing.</td>
</tr>
</tbody>
</table>
SUMMARY PRIVATE SECTOR RESPONSES

Synergy Resources Group used an example of a small construction project that needed managing in a 120,000 square foot building in order to collect data, but without specific details of the project, a site visit, an in-person meeting, etc. all entities were unwilling to provide a quote. The rates obtained were the result of a number of calls where Synergy Resources Group mentioned a sample rate of $140 per hour.

FAC-1 and FAC-2 use a contractor when it’s construction, plumbing, etc. and/or its own employees, therefore the rate varies. FAC-5 charges $60 for the first hour and $35 a person subsequently, unless it’s over eight hours and then it’s $35 per hour flat. Materials are not included in that rate. FAC-6 charges $75 for the first hour, $45 for each additional for general management. In-person quotes were required by FAC-11 and FAC-12 in addition to their respective flat fees.

SUMMARY

- City’s rate methodology and cost elements are known; however, private sector methodologies and cost elements are unknown.
- FAC-1 and FAC-2 contract out project management needs or the responsibilities are covered by an employee.
- FAC-5, FAC-6, FAC-11, and FAC-12 quoted hourly rates based on managing a small construction project needed in a building with 120,000 square feet.
- Based on the private sector businesses that were contacted, the hourly rates charged by the private sector are competitive within the private sector.
- This is not a rate that can be compared to the private sector.

RECOMMENDATION

No change to the City’s Project Management Hourly rate. The City’s rate is higher than the range of comparable private sector service providers because it includes all the costs associated with providing project management services.
FACILITIES SERVICES RATE COMPARISONS

Maintenance Technician Hourly Rate

An hourly rate charged to bureaus for costs associated with repairing and maintaining the facilities.

The Maintenance Technician Hourly Rate is calculated by dividing the total Facilities Services Maintenance Technicians Rate Budget by the total billable hours. A General Fund Overhead (GFO) markup rate of 4.5% is added to the Maintenance Technician Hourly Rate.

CITY’S METHODOLOGY
RATE BUDGET: COST ELEMENTS

- Labor: All costs associated with the employees (salary, employee benefits, etc.) who perform facilities maintenance responsibilities
- Materials and Services: e.g. office supplies, vehicle usage, fuel, telecomm service, vehicle replacement, insurance and technology
- Space in Portland Building
- Facilities Services Administration plus BIBS Administration Costs
- Billable Hours = Total available hours less non billable hours (e.g. sick hours, vacations, training)
CITY AND PRIVATE SECTOR COMPARISON TABLE – 2.6

<table>
<thead>
<tr>
<th>OMF/BUSINESS</th>
<th>BASE ($)</th>
<th>MARKUP</th>
<th>RATE ($)</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Hourly Rate</td>
<td>107.73</td>
<td>4.50%</td>
<td>112.58</td>
<td></td>
</tr>
<tr>
<td>FAC-1</td>
<td></td>
<td></td>
<td></td>
<td>Based on $75K Employee Salary/Benefits/Taxes Hourly Rate Does Not Include All Cost Elements</td>
</tr>
<tr>
<td>Norris Stevens</td>
<td></td>
<td></td>
<td></td>
<td>Information Unavailable</td>
</tr>
<tr>
<td>FAC-2</td>
<td></td>
<td></td>
<td>51.27</td>
<td>Based on a Portland Area Survey Average With Benefits/Taxes Hourly Rate Does Not Include All Cost Elements</td>
</tr>
<tr>
<td>FAC-3</td>
<td></td>
<td></td>
<td></td>
<td>Did Not Respond</td>
</tr>
<tr>
<td>FAC-4</td>
<td></td>
<td></td>
<td></td>
<td>Did Not Respond</td>
</tr>
<tr>
<td>FAC-7</td>
<td></td>
<td></td>
<td>112.00</td>
<td>Plumbing Contractor No Min. — $49 Trip Fee</td>
</tr>
<tr>
<td>FAC-8</td>
<td></td>
<td></td>
<td>110.00</td>
<td>Plumbing Contractor — $60 Truck Fee</td>
</tr>
<tr>
<td>FAC-9</td>
<td></td>
<td></td>
<td>105.00</td>
<td>$50 Truck Fee</td>
</tr>
</tbody>
</table>

SUMMARY PRIVATE SECTOR RESPONSES

When SRG contacted commercial leasing companies to ask about average facility square foot rates, it also asked what they charged for maintenance. First, similarly to property management, they responded that it was included in the square foot rate, but were also able to reference the market report that indicated a salary of approximately $75,000 annually.

FAC-2 provided a range conducted by a Portland area survey for their engineering staff for electrical, air conditioning, etc. for high ($94,000), low ($45,700), and average ($70,500) salaries. Salaries depend on a number of factors, such as the property they are managing, experience levels, size and complexity of their responsibilities, and their background and education. PTO averages 15-20 days per year, and bonuses average 11% of annual salary (10% being high / 2% being low)—some of the bonus amounts were predicated on tenant satisfaction, some were on merit and/or subjective. 75% have 16+ years of experience – 100% have 6+ years. 30% hold an Associate’s degree, 1 individual holds a Bachelor’s degree, and all hold at least a high school diploma. 60% hold professional designations or certificates.

At this point SRG regrouped and decided to take a different approach. SRG contacted private sector technical trades service providers, similar to the types of services that the City’s
maintenance technicians provide. SRG contacted plumbing companies, heating and air conditioning companies, and electricians.

FAC-7 charges $112 hourly with no minimum—only paying for the time you need. There is also a $49 trip fee. FAC-8 charges $110 for commercial plumbing plus $60 per call truck fee. FAC-9, for plumbing, charges a $50 per call truck fee. For Air Conditioning and Electricians, when SRG called with a mock repair need, the rate was about $10 an hour higher.

**SUMMARY**

- City’s rate methodology and cost elements are known; however, private sector methodologies and cost elements are unknown.
- FAC-1 is an hourly rate calculation for an employee responsible for maintenance and is based on salary, taxes and insurances. This rate does not likely include the total costs to provide maintenance duties on an hourly basis. However, this rate is much lower than the average of $51.27 based on a Portland area survey.
- FAC-7, FAC-8 and FAC-9 hourly rates are based on the private sector trade businesses (plumbing/AC/Electric) and are in the range of $105 - $120. The rates may or may not include all the costs to provide maintenance technician services, but they are similar to the hourly rate the City’s charges. Skills, certifications, etc. play a role in the rate.
- Add $10 more per hour to the private sector rates for AC/Heating and Electrician technicians.
- City rate is comparable to trade businesses (plumbing, electricians etc.) FAC-7, FAC-8 and FAC-9 and is competitive within the trade business private sector options.
- Comparing the City’s rate with the private sector is a valid comparison.
- Comparing the City’s rate with other private sector vendors is not a valid comparison.

**RECOMMENDATION**

No change to the City’s Maintenance Technician Hourly Rate methodology because it includes the cost elements needed for setting the rate. The City’s rate is also within the range of comparable private sector technical trades service providers.
PRINTING AND DISTRIBUTION RATE COMPARISONS

Production Staff Hourly Rate

The rate charged for Production Staff to produce large print jobs, make copies, etc.

The Production Staff Hourly Rate is calculated by dividing the total Production Staff Budget (less production efficiencies) by billable hours. A General Fund Overhead (GFO) markup rate of 5.5% is added to the Production Staff Hourly Rate.

CITY’S METHODOLOGY
RATE BUDGET: COST ELEMENTS

- Offset: Two printing and distribution programs subsidize each other as necessary to reduce overall hourly rates and encourage customers to use the print shop instead of their copiers.
- Allocation of BIBS Administration costs
- Direct Salaries and Benefits
- Direct Materials and Services
- Additional revenue from production efficiencies

CITY AND PRIVATE SECTOR COMPARISON TABLE – 3.1

<table>
<thead>
<tr>
<th>OMF/BUSINESS</th>
<th>BASE ($)</th>
<th>MARKUP</th>
<th>RATE ($)</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Hourly Rate</td>
<td>62.07</td>
<td>5.50%</td>
<td>65.48</td>
<td></td>
</tr>
<tr>
<td>P&amp;D-1</td>
<td></td>
<td></td>
<td></td>
<td>Information Unavailable</td>
</tr>
<tr>
<td>P&amp;D-2</td>
<td></td>
<td></td>
<td>60.00</td>
<td></td>
</tr>
<tr>
<td>P&amp;D-3</td>
<td></td>
<td></td>
<td></td>
<td>Information Unavailable</td>
</tr>
<tr>
<td>P&amp;D-4</td>
<td></td>
<td></td>
<td>80.00</td>
<td></td>
</tr>
</tbody>
</table>

SUMMARY PRIVATE SECTOR RESPONSES

SRG inquired about a general quote on a large project to coordinate the design, printing, and assembly of various pieces. When more information was requested in order to provide a quote, the project was described as assembling spiral-bound notebooks with several hundred pages for approximately 200 conference packets. Many of the businesses contacted do not charge a separate production hourly rate, although some do for larger jobs or specialized services such as design services by P&D-2 and P&D-4.
Additionally, SRG had conversations with P&D-1 and P&D-3 that were centered around what they pay their production staff employees. There were several variables across the board in this category, including salaries based on experience, education, background, and size and scope of responsibilities. They did not share their employee’s annual salary information.

SUMMARY

- City’s rate methodology and cost elements are known; however, private sector methodologies and cost elements are unknown.
- Based on the private sector businesses contacted, the hourly rates for production staff are in the range of $60 - $80. The rates may or may not include all the costs to provide production staff services but they are similar to the hourly rate the City’s charges.
- Anecdotally, the employee’s education, certifications, and experience were factors in determining the hourly rate.
- City’s rate is within the private sector range at $65.48 and is competitive with private sector options.
- Comparing the City’s rate with the private sector is a valid comparison.

RECOMMENDATION

No change to the City’s Production Staff Hourly Rate methodology because it includes the cost elements needed for setting the rate. The City’s rate is within the range of comparable private sector service providers.
PRINTING AND DISTRIBUTION RATE COMPARISONS

In Bureau Copier Rate

The rate for individual machines located in bureaus’ workspaces and serviced by Printing and Distribution. Bureaus create their own copies with these machines.

The In Bureau Copier Rate is calculated by dividing the total In Bureau Copier Rate Budget by the total number of copies (based on previous year actuals) + an allowance for replacement of copier. A General Fund Overhead (GFO) markup rate of 5.5% is added to the In Bureau Copier Rate.

CITY’S METHODOLOGY
RATE BUDGET: COST ELEMENTS

- Offset: Two printing and distribution programs subsidize each other as necessary to reduce overall hourly rates and encourage customers to use the print shop instead of their copiers
- Direct Salaries and Benefits
- Direct Materials and Services
- Allocation of BIBS Administration
- An allowance for replacement of copiers
- Total Number of Copies: Based on previous year actuals
### CITY AND PRIVATE SECTOR COMPARISON TABLE – 3.2

<table>
<thead>
<tr>
<th>OMF/BUSINESS</th>
<th>BASE ($)</th>
<th>MARK UP</th>
<th>RATE ($)</th>
<th>PER MONTH LEASE</th>
<th>COPIES INCL. W/ LEASE</th>
<th>OVERAGE CHARGE PER COPY</th>
<th>PER MONTH TOTAL COST ($)</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Rate</td>
<td>0.0375</td>
<td>5.5%</td>
<td>0.0396</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
<td>1,465</td>
<td></td>
</tr>
<tr>
<td>P&amp;D-1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Info Unavailable</td>
</tr>
<tr>
<td>P&amp;D-2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Info Unavailable</td>
</tr>
<tr>
<td>P&amp;D-3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Info Unavailable</td>
</tr>
<tr>
<td>P&amp;D-4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Info Unavailable</td>
</tr>
<tr>
<td>P&amp;D-5</td>
<td>0.011</td>
<td>2,500</td>
<td>25,000</td>
<td>0.011 BW 0.069 C</td>
<td></td>
<td>2,632</td>
<td></td>
<td>BW Copies 3 Copiers</td>
</tr>
<tr>
<td>P&amp;D-5-a</td>
<td>0.012</td>
<td>239</td>
<td>2,000</td>
<td>0.012 BW 0.08 C</td>
<td></td>
<td>1,849</td>
<td></td>
<td>BW Copies 1 Copier</td>
</tr>
<tr>
<td>P&amp;D-6</td>
<td>0.012</td>
<td>65</td>
<td>1,670</td>
<td>0.012 BW 0.08 C</td>
<td></td>
<td>1,224</td>
<td></td>
<td>Maint. Contract only BW Copies 1 Copier</td>
</tr>
</tbody>
</table>

### SUMMARY PRIVATE SECTOR RESPONSES

SRG contacted companies that sell copiers and printers, asking about the purchase and/or lease of a copier. The companies described that whether you purchase or lease a copier/printer there is a monthly per copy usage covered in the lease that pays for maintenance, toner, etc. The private sector and City’s Copy Rate does not include paper. Any copies over that amount are then charged separately and usually at a higher rate per copy than the lease includes. Only two companies were willing to share the terms of their contracts.

P&D-5 is a contract for three copy machines. The monthly lease payment is $2,500, which...
includes 25,000 black and white copies and 5,000 color copies. They rarely exceed the maximum allowed copies, though overage charges are $0.011 per copy for black and white and $0.069 per copy for color.

In example P&D-5a, the contract is for one copier for $239 per month on a 48-month lease, which includes 2,000 black and white copies and 700 color copies. A similar contract with P&D-6 would have cost a monthly lease payment of $204 per month for 48 months, with the copy costs of $0.012 black and white and $0.08 color.

P&D-6 is where the business owns their copier and has a contract for maintenance only, which is around $65/month. This contract includes maintenance, supplies, toner and up to 1,670 black and white and 670 color copies per month. Overage charges are $0.012 black and white and $0.08 color copies.

City and private sector rates do not include paper.

SUMMARY

- City’s rate methodology is known, and private sector methodologies and cost elements are clearer due to two private sector businesses sharing the terms of their copier lease contracts.
- For comparison purposes, a monthly total of 37,000 black and white copies was used to calculate the cost in both private sector businesses. The result is the City’s rate is much lower when comparing the copiers’ lease expense plus the copies over the contract allowance.
- Private sector contracts include a higher per copy price for color copies. The City’s rate is also higher for color copies.
- City’s rate is cost competitive with private sector options.
- While comparing rates is Apples to Oranges comparison, comparing the City’s overall cost for a service with the private sector is a valid comparison.

RECOMMENDATION

No change to the City’s In Bureau Copy Rate because it includes the cost elements needed for setting the rate and results in a lower cost compared to the private sector.
**PRINTING AND DISTRIBUTION RATE COMPARISONS**

**Copy Center Rate**

*The rate for large-volume production copiers located in the Printing and Distribution Shop. Bureaus submit their documents to Printing and Distribution, and Printing and Distribution staff process the copies on these machines.*

*The Copy Center Rate is calculated by dividing the total Copy Center Rate Budget by the total number of copies. A General Fund Overhead (GFO) markup rate of 5.5% is added to the Copy Center Rate.*

---

**CITY’S METHODOLOGY**

**RATE BUDGET: COST ELEMENTS**

- Labor: All costs associated with the employees (salary, employee benefits, etc.) who are involved in providing the service
- Material and Services: e.g. toner, repair and maintenance
- Cost per sheet (not per image)
- Allocation of BIBS Administration costs
- Capital outlay: Eventual replacement of production machines
- Total Number of Copies: Based on previous year actuals

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**CITY AND PRIVATE SECTOR COMPARISON TABLE – 3.3**

<table>
<thead>
<tr>
<th>OMF/BUSINESS</th>
<th>BASE ($)</th>
<th>MARKUP</th>
<th>RATE ($)</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Rate Per Sheet</td>
<td>0.032</td>
<td>5.50%</td>
<td>0.034</td>
<td>Includes paper – one or two sided</td>
</tr>
<tr>
<td>P&amp;D-1</td>
<td></td>
<td></td>
<td>0.10</td>
<td>Includes paper – Cost based on number of images</td>
</tr>
<tr>
<td>P&amp;D-2</td>
<td></td>
<td></td>
<td>0.08</td>
<td>Includes paper – Cost based on number of images</td>
</tr>
<tr>
<td>P&amp;D-3</td>
<td></td>
<td></td>
<td>0.03</td>
<td>Includes paper – Cost based on number of images</td>
</tr>
<tr>
<td>P&amp;D-4</td>
<td></td>
<td></td>
<td>0.07</td>
<td>Includes paper – Cost based on number of images</td>
</tr>
<tr>
<td>National Association of Printing Leadership (NAPL) Study</td>
<td></td>
<td></td>
<td>0.0462</td>
<td>10-25 Million Copies Cost based on number of images</td>
</tr>
</tbody>
</table>
SUMMARY PRIVATE SECTOR RESPONSES

SRG contacted several copy centers in the area, indicating that they were a business interested in potentially bringing all of their copy work to this new location and were looking for how much they charged per copy for both black and white and color. The City and private sector rates include standard white paper in their rate.

Additionally, the National Association for Printing Leadership (NAPL) has a current study (included in Appendix 3.1 to this study) detailing rates of binding, off-set printing, etc. Although this study was a national study, it was separated by geographic region. The rate listed in the previous table is the average in the Northwest, where 24% of the participants in the study were located.

SUMMARY

- City’s rate methodology and cost elements are known; however, private sector methodologies and cost elements are unknown.
- Copier center rates are market driven, which is reported in the National Association for Printing Leadership’s (NAPL) regional market analysis report.
- Based on the private sector businesses that were contacted, the rates charged by the private sector are very competitive.
- The City and private sector charge a higher rate for color copies.
- City’s rate of $0.034 is within the private sector range of $0.03 to $0.10 per copy and is cost competitive with private sector options.
- Comparing the City’s rate with the private sector is a valid comparison.

RECOMMENDATION

No change to the City’s Copy Center Rate methodology. The City’s rate includes all the cost elements needed for setting the rate. The City’s Copy Center Rate is cost competitive. The City’s rate is per sheet (one-sided or two sided). The private sector rates are charged per image on each sheet of paper.
Trunked Radio Access Rate

Annual rate charged to bureaus to access 800 MHz public safety radio system.

The Trunked Radio Access Rate is calculated by dividing the Total Direct 800 MHz System Costs, major maintenance, and overhead allocation less non-city access rate revenues by total City units. A General Fund Overhead (GFO) markup rate of 3.25% is added to the Trunked Radio Access Rate.

CITY’S METHODOLOGY
RATE BUDGET: COST ELEMENTS

- Labor: All costs associated with the employees (salary, employee benefits, etc.) who are involved in providing the service
- External: e.g. utilities, repair and maintenance, operating, minor tools, space rental, and/or operating lease
- Allocation of BTS Overhead
- Internal: Rates charged by other IA service providers (e.g. Fleet, Facilities, Insurance, etc.)
- Major Maintenance Projects
- BILLABLE UNITS: Average number of City Units
- General Fund Overhead (GFO) markup rate of 3.25% is added to the Trunked Radio Access Rate
### CITY AND PRIVATE SECTOR COMPARISON TABLE – 4.1

<table>
<thead>
<tr>
<th>OMF/BUSINESS</th>
<th>BASE ($)</th>
<th>MARKUP</th>
<th>ANNUAL TRUNKED RADIO ACCESS RATE ($)</th>
<th>ANNUAL TRUNKED RADIO ACCESS RATE – NO RADIO ($)</th>
<th>ANNUAL TRUNKED RADIO ACCESS RATE – WITH RADIO ($)</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Rates</td>
<td>410.55</td>
<td>3.25%</td>
<td>423.89</td>
<td>423.89</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BTS-5</td>
<td></td>
<td></td>
<td>216.00</td>
<td>528.00</td>
<td></td>
<td>$44 per month per radio plus $2 per month for the radio $15-$18 per Month access only (depending on details)</td>
</tr>
<tr>
<td>BTS-6</td>
<td></td>
<td></td>
<td>900.00</td>
<td>900.00</td>
<td></td>
<td>Same rate with or without radio</td>
</tr>
<tr>
<td>BTS-7</td>
<td></td>
<td></td>
<td>156.00</td>
<td>1000.00</td>
<td></td>
<td>$250 per week per radio plus $13 per week for Trunked Radio Access</td>
</tr>
</tbody>
</table>

### SUMMARY PRIVATE SECTOR RESPONSES

For Trunked Radio Access Rates, SRG indicated that their business had an event where they wished to use radios to communicate, and that they may or may not need to actually lease radios so they’d like the quotes for each. It was extremely straightforward to obtain these rates over the phone, particularly in contrast to some of the other rate categories.

Having a contract makes a significant difference in the rate and what it includes. For example, for BTS-5, their annual rate is $528 including a radio (the breakdown is $42 per month for the radio plus $2 per radio for Trunked Radio Services). If you own your own radio, then the rate for Trunked Radio Access only is $15-$18 per month—but this was a range based on a number of details, such as location, type of radio, and number of radios.
BTS-6 is $900 per 28 days (which is the same rate whether or not you own your own radio). BTS-7 costs $250 per radio per week, plus $13 per week per radio for Trunked Radio Access. When you sign a contract, the per-radio cost is $1000 per year; however, if you only need the radios for a short period of time, you pay a premium rate.

City system is public safety grade and private sector is at a lower standard.

SUMMARY

- City’s rate methodology and cost elements are known; however, some private sector methodologies and cost elements are known and some are unknown.
- Based on the private sector businesses that were contacted, the City’s rates charged appear in the middle of the range of $156-$900.
- City’s rate is set on valid cost elements and it is unknown whether the differences in the private sector rates are due to using actual cost elements or not.
- City’s rate is cost competitive with private sector options.
- Comparing the City’s overall costs for a service with the private sector is a valid comparison.

RECOMMENDATION

No change to the City’s Trunked Radio Access Rate methodology because it includes the cost elements needed for setting the rate. The rate is mid-range between the lowest and highest comparable private sector service providers.
TECHNOLOGY SERVICES RATE COMPARISONS

Business Solutions Hourly Rate

*Hourly rate charged for higher-level programing of software systems.*

*The Business Solution Hourly Rate is based on prior year plus projected inflation rate.*

CITY’S METHODOLOGY
RATE BUDGET: COST ELEMENTS

- Rate = prior year plus projected inflation rate and includes:
- Labor: All costs associated with the employees (salary, employee benefits, etc.) who are involved in providing the service
- Materials and Services: Supplies and education
- Total Billable Hours = FTE x Total annual full-time work hours
- General Fund Overhead (GFO) markup rate of 3.25% is added to the Business Solutions Hourly Rate

CITY AND PRIVATE SECTOR COMPARISON TABLE – 4.2

<table>
<thead>
<tr>
<th>OMF/BUSINESS</th>
<th>BASE ($)</th>
<th>MARKUP</th>
<th>RATE ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Rates</td>
<td>86.25</td>
<td>3.25%</td>
<td>89.05</td>
</tr>
<tr>
<td>BTS-1</td>
<td></td>
<td></td>
<td>129.00</td>
</tr>
<tr>
<td>BTS-2</td>
<td></td>
<td></td>
<td>125.00</td>
</tr>
<tr>
<td>BTS-3</td>
<td></td>
<td></td>
<td>150.00-200.00</td>
</tr>
<tr>
<td>BTS-4</td>
<td></td>
<td></td>
<td>129.00</td>
</tr>
</tbody>
</table>

SUMMARY PRIVATE SECTOR RESPONSES

This category of high-level programming varies widely depending on the type of job, quantity of jobs, what one’s needs are, etc. It is a perfect example of the difficulty in comparing a rate when the private sector bases their rates on the specifics of each job, as opposed to having a marketable rate as in the public sector. Most businesses were very hesitant to provide a quote over the phone, until SRG mentioned a quote of $100 per hour. At that point they quoted their rates. This is also where the private sector’s ability to bid the job without having to necessarily disclose an hourly rate comes into play.
SUMMARY

- City’s rate methodology and cost elements are known; however, private sector methodologies and cost elements are unknown.
- In some cases, the rate varies on the size of the job.
- Based on the private sector businesses that were contacted, the rates charged by the private sector are very competitive.
- BTS-4 matched the lowest hourly rate in the range of rates that had been collected at the time of the call, indicating that the rate is negotiable and market driven.
- City’s rate of $89.05 is lower than the private sector range of $125-$200 per hour and is competitive with private sector options.
- While an Apples to Oranges comparison, comparing the City’s rate with the private sector is a valid comparison of total overall costs.

RECOMMENDATION

No change to the City’s Business Solutions Hourly Rate methodology because it includes the cost elements needed for setting the rate. The rate is lower than the range of comparable private sector service providers.
TECHNOLOGY SERVICES RATE COMPARISONS

Support Center Hourly Rate

Hourly rate charged when a person needs basic support for and/or assistance with their computer.

The Support Center Hourly Rate is based on prior year plus projected inflation rate.

CITY’S METHODOLOGY

RATE BUDGET: COST ELEMENTS

- Rate = prior year plus projected inflation rate and includes:
- Labor: All costs associated with the employees (salary, employee benefits, etc.) who are involved in providing the service
- Materials and Services: Supplies and education
- Total Billable Hours = FTE x Total annual full-time work hours
- General Fund Overhead (GFO) markup rate of 3.25% is added to the Business Solutions Hourly Rate

CITY AND PRIVATE SECTOR COMPARISON TABLE – 4.3

<table>
<thead>
<tr>
<th>OMF/BUSINESS</th>
<th>BASE ($)</th>
<th>MARKUP</th>
<th>RATE ($)</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Rates</td>
<td>91.50</td>
<td>3.25%</td>
<td>94.47</td>
<td></td>
</tr>
<tr>
<td>BTS-1</td>
<td></td>
<td></td>
<td>129.00</td>
<td></td>
</tr>
<tr>
<td>BTS-2</td>
<td></td>
<td></td>
<td></td>
<td>$250 per month w/purchase of new server</td>
</tr>
<tr>
<td>BTS-3</td>
<td></td>
<td></td>
<td>150.00</td>
<td>$120 per hour w/support contract</td>
</tr>
<tr>
<td>BTS-4</td>
<td></td>
<td></td>
<td>90.00</td>
<td>Quoted the lowest hourly rate at time of call</td>
</tr>
</tbody>
</table>

SUMMARY PRIVATE SECTOR RESPONSES

This category was another example of the private sector’s reluctance to provide a rate over the phone without exact details of the job, because they can negotiate if they can define exactly what you want and surmise whether you have other quotes or not. When SRG named a range of $94-$129, BTS-4 quoted $90 per month. BTS-2 quoted $250 per month with the purchase of
a new server, which included remote technical support. There is no hourly rate without a contract. BTS-3 quoted $150 per hour and $120 per hour with a support contract, which includes two hours free remote service per month, $120 in emergency services to visit the office, and a 20% reduction on labor costs.

SUMMARY

- City’s rate methodology and cost elements are known; however, private sector methodologies and cost elements are unknown.
- Private sector support rates varied depending on whether you purchased network equipment or only needed support center services. In both cases, a contract reduced the hourly rate.
- BTS-4 undercut the lowest hourly rate in the range of rates (including the City’s) that had been collected at the time of the call, indicating that the rate is negotiable and market driven.
- City’s rate of $94.47 and is lower than the private sector range of $90-$150 per hour and is competitive with private sector options.
- While an Apples to Oranges comparison, comparing the City’s rate with the private sector is a valid comparison of total overall costs.

RECOMMENDATION

No change to the City’s Support Center Rate methodology because it includes the cost elements needed for setting the rate. The rate is lower than the range of comparable private sector service providers.
TECHNOLOGY SERVICES RATE COMPARISONS

Project Management Hourly Rate

*Hourly rate charged to set up telephone or IT systems.*

*The Project Management Hourly Rate is calculated by taking the hourly prior year plus projected inflation rate. A General Fund Overhead (GFO) markup rate of 3.25% is added to the Project Management Hourly Rate.*

CITY’S METHODOLOGY

RATE BUDGET: COST ELEMENTS

- Rate = prior year plus projected inflation rate and includes:
- Labor: All costs associated with the employees (salary, employee benefits, etc.) who are involved in providing the service
- Materials and Services: Supplies and education
- Total Billable Hours = FTE x Total annual full time work hours
- General Fund Overhead (GFO) markup rate of 3.25% is added to the project management hourly rate

CITY AND PRIVATE SECTOR COMPARISON TABLE – 4.4

<table>
<thead>
<tr>
<th>OMF/BUSINESS</th>
<th>BASE ($)</th>
<th>MARKUP</th>
<th>RATE ($)</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Rates</td>
<td>92.75</td>
<td>3.25%</td>
<td>95.76</td>
<td></td>
</tr>
<tr>
<td>BTS-1</td>
<td></td>
<td></td>
<td>129.00</td>
<td></td>
</tr>
<tr>
<td>BTS-2</td>
<td></td>
<td></td>
<td>125.00</td>
<td>Hourly rate to set up server After 10 hours, rate is $115 per hour</td>
</tr>
<tr>
<td>BTS-3</td>
<td></td>
<td></td>
<td>220.00</td>
<td>Hourly rate to set up server $150 per hour if server is in place</td>
</tr>
<tr>
<td>BTS-4</td>
<td></td>
<td></td>
<td>129.00</td>
<td></td>
</tr>
</tbody>
</table>
SUMMARY PRIVATE SECTOR RESPONSES

When faced with the mock scenario of getting quotes to install a telephone system, or a network server with 12 workstations, once again companies were hesitant to provide an hourly rate over the phone, since many of the jobs had various cost elements often grouped in packages. Once SRG provided them with a range of quotes, BTS-2 quoted a server set-up of $125 per hour, with after 10 hours moving to $115. BTS-3 quoted $150 per hour if there was a server in place, and BTS-4 quoted $129 per hour. It was very difficult to obtain even these numbers over the phone. It was clear, however, that setting up a contract with any of the businesses would provide a better rate.

SUMMARY

- City’s rate methodology and cost elements are known; however, private sector methodologies and cost elements are unknown.
- Private sector support rates varied depending on whether you purchased/leased phones or network equipment with a support contract.
- BTS-4 matched the lowest hourly rate in the range of rates (without the City’s) that had been collected at the time of the call, indicating that the rate is negotiable and market driven.
- City’s rate of $95.76 is lower than the private sector range of $125-$220 per hour and is competitive with private sector options.
- While a Red Apples to Green Apples comparison, comparing the City’s rate with the private sector is a valid comparison of total overall costs.

RECOMMENDATION

No change to the City’s Technology Project Management Hourly Rate methodology because it includes the cost elements needed for setting the rate. The rate is much lower than the range of comparable private sector service providers.
TECHNOLOGY SERVICES RATE COMPARISONS

Radio Shop Hourly Rate

*Hourly Rate charged for repairing radios, towers, etc.*

*The Radio Shop Hourly Rate is calculated by multiplying the previous year Radio Shop Hourly Rate plus projected inflation rate. A General Fund Overhead (GFO) markup rate of 3.25% is added to the Radio Shop Hourly Rate.*

CITY’S METHODOLOGY

RATE BUDGET: COST ELEMENTS

- Rate = prior year plus projected inflation rate and includes:
- Labor: All costs associated with the employees (salary, employee benefits, etc.) who are involved in providing the service
- Materials and Services: Supplies and education
- Total Billable Hours = FTE x Total annual full-time work hours
- General Fund Overhead (GFO) markup rate of 3.25% is added to the Radio Shop Hourly Rate

CITY AND PRIVATE SECTOR COMPARISON TABLE – 4.5

<table>
<thead>
<tr>
<th>OMF/ BUSINESS</th>
<th>BASE ($)</th>
<th>MARKUP</th>
<th>RATE ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Rates</td>
<td>95.50</td>
<td>3.25%</td>
<td>98.60</td>
</tr>
<tr>
<td>BTS-5</td>
<td></td>
<td></td>
<td>95.00</td>
</tr>
<tr>
<td>BTS-6</td>
<td></td>
<td></td>
<td>110.00</td>
</tr>
<tr>
<td>BTS-7</td>
<td></td>
<td></td>
<td>105.00</td>
</tr>
</tbody>
</table>

SUMMARY PRIVATE SECTOR RESPONSES

Radio Shop Rates were very straightforward, much like Trunked Radio Access, when asked about the mock scenario of having a technician come out to repair a local tower or radios. BTS-5 quoted a minimum of 30 minutes, at $37.50. BTS-6 is a Motorola dealer and SRG gathered data from the technician department. BTS-7 provided its technician hourly rate.
SUMMARY

- City’s rate methodology and cost elements are known; however, private sector methodologies and cost elements are unknown.
- Based on the private sector businesses that were contacted, the rates charged by the private sector to work on radios are very competitive.
- City’s rate of $98.60 is the private sector range of $95-110 per hour and is competitive with private sector options.
- Comparing the City’s rate with the private sector is a valid comparison.

RECOMMENDATION

No change to the City’s Radio Shop Hourly Rate methodology because it includes the cost elements needed for setting the rate. It is within the range of comparable private sector service providers.
PUBLIC SECTOR RATE COMPARISON

PUBLIC SECTOR RATE COMPARISON METHODOLOGY EXPLANATION

Synergy Resources Group focused on six comparable U.S. cities for public sector rate comparisons, with a seventh added for contingency:

- Charlotte, NC
- Seattle, WA
- Kansas City, MO
- Cincinnati, OH
- Sacramento, CA
- Denver, CO
- Phoenix, AZ (added when Synergy Resources Group did not receive any response from previous phone calls)

As background, the primary funding source for OMF Internal Service Funds (ISFs) is Interagency Service Agreements (IAs) with City bureaus, as well as other local governments and agencies. The funds’ IAs and contracts with local governments are based on either rate-based charges or pass-through costs (a sample of an IA is included in Appendix 4.1 to this study).

OMF ISFs will recover 100% of their costs by charging for the services they provide. The only General Fund discretionary money received is for funding a few specific programs.

OMF IAs include a budgeting component and a billing component. The budgeting component includes an estimate prepared by the provider to the receiver of projected costs in the upcoming fiscal year. This estimate will be based on the rates developed for the upcoming year and a forecast of the number of units the receiver will use. Billings take place through the City’s SAP system and are based on actual service levels and agreed upon rates.

After thoroughly researching OMF’s IAs and internal budgeting processes, Synergy Resources Group contacted individuals in the relevant departments of the aforementioned cities, using scripted questions as guidance. SRG announced that they were calling from Portland, Oregon’s Office of Management and Finance. It was explained that SRG was conducting an internal rate study in order to compare the rates charged by bureaus for the services provided to other bureaus with public and private sector entities. The goal was to determine how the City’s rates and methodologies compare whether or not rates needed to be adjusted.

Prior to beginning the conversation, SRG offered the participant a copy of the Internal Rate Study upon its completion as added incentive to participate in the study, given their provision of time and resources. Participants were then asked if their City had ever conducted an internal rate study of their own, as well as whether they used Internal Service Funds and what their methodology is if so. SRG then reviewed rates charged in detail in the four categories of
Fleet Services, Facilities Services, Printing & Distribution, and Technology Services, and recorded each City’s rates and/or methodology where available to the best of their ability.

Navigating the various bureaus and departments of each of the cities was extremely tricky and time-consuming—several departments placed Synergy Resources Group on hold for exorbitant amounts of time, multiple individuals did not know to whom to transfer the data collection requests, and sometimes whole cities—such as Cincinnati—did not respond to any requests at all. This was further impaired by the fact that many cities no longer use—or have never used—ISFs or IAs with which to recover cost of services used between City agencies and departments. IAs are not formal contracts, but a lack of IAs generally means that cities use the General Fund for these activities rather than IAs, which means they may or may not have a method to determine their costs. In these cases, rate calculation detail is largely absent.

In order to take this into account, three terms are used in this section to describe the participation level of the cities contacted:

- **PARTICIPANT + DATA PROVIDER**: These cities answered Synergy Resources Group calls and provided relevant data to aid the study. These are indicated with the data provided within the tables in this section.

- **PARTICIPANT + NON-DATA PROVIDER**: These cities answered Synergy Resources Group calls like the above; however, they did not provide relevant and/or helpful data to aid the study. These are indicated as “[NO DATA]” within the tables in this section.

- **NON-PARTICIPANT**: These cities did not answer Synergy Resources Group calls, and therefore are indicated as “NP” within the tables in this section.

These terms can be found within the tables themselves in the individual rate category pages that follow, and are also explained in the narratives below each table.
PUBLIC SECTOR COMMENTS

Approximately 50% of the selected cities provided some rates for comparison purposes. The following is a general summary of the comments/scenarios collected from cities as relevant to the four categories of study:

- Phased out some or all of their ISFs
- Costs are funded through General Fund dollars
- Outsource Printing and Distribution
- Use flat rates without any supporting calculation (e.g., “that’s what we’ve charged for quite some time”)
- Do not charge a separate motor pool rate
- Do not charge a space rental fee to their bureaus, departments, divisions, etc.
- Identifying costs is important
- Denver uses cost allocation methodology instead of internal service funds
- Charlotte, NC shared a copy of their Cost Allocation Plan to aid the study (included in Appendix 6.2)
# FLEET SERVICES RATE COMPARISONS

## FLEET SERVICES RATE TABLE – 5.1

<table>
<thead>
<tr>
<th>OMF/ BUSINESS</th>
<th>TECHNICIAN HOURLY RATE ($)</th>
<th>SHOP CONSUMABLES</th>
<th>PARTS MARKUP %</th>
<th>MOTOR POOL ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Rates</td>
<td>106.68</td>
<td>1.46%</td>
<td>22.78%</td>
<td>7.18</td>
</tr>
<tr>
<td>Charlotte</td>
<td>102.55 (includes 70.29 flat rate plus 32.26 per vehicle for admin)</td>
<td>20%</td>
<td>20.40</td>
<td>[NO DATA]</td>
</tr>
<tr>
<td>Cincinnati</td>
<td>NP</td>
<td>NP</td>
<td>NP</td>
<td>NP</td>
</tr>
<tr>
<td>Denver</td>
<td>Discontinued Internal Service Funds / [NO DATA]</td>
<td>Discontinued Internal Service Funds / [NO DATA]</td>
<td>Discontinued Internal Service Funds / [NO DATA]</td>
<td>Discontinued Internal Service Funds / [NO DATA]</td>
</tr>
<tr>
<td>Kansas City</td>
<td>75.00 flat rate</td>
<td>2% - up to $6.00</td>
<td>10</td>
<td>[NO DATA]</td>
</tr>
<tr>
<td>Sacramento</td>
<td>NP</td>
<td>NP</td>
<td>NP</td>
<td>NP</td>
</tr>
<tr>
<td>Seattle</td>
<td>NP</td>
<td>NP</td>
<td>NP</td>
<td>NP</td>
</tr>
</tbody>
</table>

## FLEET SERVICES RATE EXPLANATION

City’s rate methodology and cost elements are known; however, the public sector methodologies and cost elements are known in some cases and not in others.

Cincinnati, Sacramento, and Seattle did not provide information. In Denver, their Technicians were never an Internal Service Fund (ISF)—they have dissolved ISF for the entire shop, as overall the costs associated with administering ISFs are extremely high.

In Charlotte, the Technician Hourly rate uses a combination of flat hourly rate and an administration fee per vehicle, whereas in Kansas City they use a flat hourly rate that the City has used for some time.

Charlotte uses a percentage for parts markup and tries to follow what they believe to be the market rate. Kansas City uses a percentage they’ve used for some time with no increase or decrease in percentage.

The Shop Consumables Rate percentage in Charlotte is one they have used for some time with no
increase or decrease in percentage, which is based on what they believe to be the industry standard. In Kansas City, their rate percentage has a cap—up to $6.00.

RESULTS

Technician Rate: Comparing the City’s rate with the public sector is a valid comparison. (Red Apples to Green Apples)

Parts Mark Up: Comparing the City’s rate with the public sector is a valid comparison. (Red Apples to Green Apples)

Shop Consumables: Comparing the City’s rate with the public sector is a valid comparison. (Red Apples to Green Apples)

Motor Pool: There were no motor pools across any of the cities surveyed.
## FACILITIES SERVICES RATE COMPARISONS

### FACILITIES SERVICES RATE TABLE – 5.2

<table>
<thead>
<tr>
<th>OMF/ BUSINESS</th>
<th>CLASS A BUILDING ($)</th>
<th>CLASS B BUILDING ($)</th>
<th>PROPERTY MGMT ($)</th>
<th>PROJECT MGMT ($)</th>
<th>MAINTENANCE TECHNICIAN ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Rates</td>
<td>34.54</td>
<td>16.41</td>
<td>139.19</td>
<td>139.19</td>
<td>112.58</td>
</tr>
<tr>
<td>Charlotte</td>
<td>NP</td>
<td>NP</td>
<td>NP</td>
<td>NP</td>
<td>NP</td>
</tr>
<tr>
<td>Cincinnati</td>
<td>NP</td>
<td>NP</td>
<td>NP</td>
<td>NP</td>
<td>NP</td>
</tr>
<tr>
<td>Denver</td>
<td>Discontinued</td>
<td>Discontinued</td>
<td>Discontinued</td>
<td>Discontinued</td>
<td>Discontinued</td>
</tr>
<tr>
<td></td>
<td>Internal Service</td>
<td>Internal Service</td>
<td>Service Funds</td>
<td>Service Funds</td>
<td>Service Funds</td>
</tr>
<tr>
<td></td>
<td>Funds / [NO DATA]</td>
<td>Funds / [NO DATA]</td>
<td>/ [NO DATA]</td>
<td>/ [NO DATA]</td>
<td>/ [NO DATA]</td>
</tr>
<tr>
<td>Kansas City</td>
<td>[NO DATA]</td>
<td>[NO DATA]</td>
<td>[NO DATA]</td>
<td>[NO DATA]</td>
<td>[NO DATA]</td>
</tr>
<tr>
<td>Sacramento</td>
<td>NP</td>
<td>NP</td>
<td>NP</td>
<td>NP</td>
<td>NP</td>
</tr>
<tr>
<td>Seattle</td>
<td>NP</td>
<td>NP</td>
<td>NP</td>
<td>NP</td>
<td>NP</td>
</tr>
</tbody>
</table>

### FACILITIES SERVICES RATE EXPLANATION

City’s rate methodology and cost elements are known; however, the public sector methodologies and cost elements are unknown.

Charlotte, Cincinnati, Sacramento, and Seattle did not provide information. Denver dissolved ISF entirely, as overall the costs associated with administering ISF are extremely high.

Kansas City does not charge internally for use of City space; it is funded through the General Fund, in which each division pays their own maintenance budget. However, retail space rate averages $12 per square foot, and maintenance shop charges $4 per square foot.

### RESULTS

Unfortunately, no information was collected that can be used for valid rate comparison.
PRINTING AND DISTRIBUTION RATE COMPARISONS

PRINTING AND DISTRIBUTION RATE TABLE – 5.3

<table>
<thead>
<tr>
<th>OMF/BUSINESS</th>
<th>PRODUCTION STAFF ($)</th>
<th>IN BUREAU COPIER ($)</th>
<th>COPY CENTER ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Rates</td>
<td>65.48</td>
<td>0.0396</td>
<td>0.034</td>
</tr>
<tr>
<td>Charlotte</td>
<td>Discontinued Internal Service Funds / [NO DATA]</td>
<td>0.0294</td>
<td>0.0294</td>
</tr>
<tr>
<td>Cincinnati</td>
<td>NP</td>
<td>NP</td>
<td>NP</td>
</tr>
<tr>
<td>Denver</td>
<td>Discontinued Internal Service Funds / [NO DATA]</td>
<td>0.0062 BW 0.055 C</td>
<td>0.06</td>
</tr>
<tr>
<td>Kansas City</td>
<td>Discontinued Internal Service Funds / [NO DATA]</td>
<td>NP</td>
<td>NP</td>
</tr>
<tr>
<td>Sacramento</td>
<td>NP</td>
<td>NP</td>
<td>NP</td>
</tr>
<tr>
<td>Seattle</td>
<td>Discontinued Internal Service Funds / [NO DATA]</td>
<td>NP</td>
<td>NP</td>
</tr>
</tbody>
</table>

PRINTING AND DISTRIBUTION EXPLANATION

City’s rate methodology and cost elements are known; however, the public sector methodologies and cost elements are known in some cases and not in others.

Cincinnati and Sacramento did not provide information.

Charlotte, Denver, Kansas City, and Seattle did not have production staff hourly rates, due to either being discontinued or outsourced.

For Denver’s In Bureau Copier rate, they have no contract allowance—the cost is $0.0062 per black and white copy, and $0.055 per color copy. Charlotte has a contract with RICOH (see contract included in Appendix 5.1 to this study), which includes maintenance services and all supplies except paper and staples, and charges $0.0294 for each black and white copy. The cost lowers based on the speed of the copier, with the lowest rate being $0.0153 for black and white copies. They are charged more for color copies. This contract applies to their Copy Center rate, as well.
In Denver, the Copy Center rate is $0.06 each for black and white copies and $0.63 each for color copies. The prices go down with increased copy quantity. Kansas City is under contract with OfficeMax, which has a center located inside their City Hall. A request for information about what the vendor charges per copy and over contract allowance was submitted; however, SRG did not receive a response.

RESULTS

Production Hourly Rate: No information was collected that can be used for valid rate comparison.

In Bureau Copier Rate and Copier Rate: Comparing the City’s rate with the public sector is a valid comparison (Red Apples to Green Apples)
## TECHNOLOGY SERVICES RATE COMPARISONS

### TECHNOLOGY SERVICES RATE TABLE – 5.4

<table>
<thead>
<tr>
<th>OMF/ BUSINESS</th>
<th>TRUNKED RADIO ACCESS ($)</th>
<th>BUSINESS SOLUTIONS ($)</th>
<th>SUPPORT CENTER ($)</th>
<th>PROJECT MGMT ($)</th>
<th>RADIO SHOP ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Rates</td>
<td>423.89</td>
<td>89.05</td>
<td>94.07</td>
<td>95.76</td>
<td>98.60</td>
</tr>
<tr>
<td>Charlotte</td>
<td>495.48</td>
<td>[NO DATA]</td>
<td>Incl. in Trunked Radio Access</td>
<td>[NO DATA]</td>
<td>[NO DATA]</td>
</tr>
<tr>
<td>Cincinnati</td>
<td>NP</td>
<td>NP</td>
<td>NP</td>
<td>NP</td>
<td>NP</td>
</tr>
<tr>
<td>Denver</td>
<td>[NO DATA]</td>
<td>[NO DATA]</td>
<td>[NO DATA]</td>
<td>[NO DATA]</td>
<td>[NO DATA]</td>
</tr>
<tr>
<td>Kansas City</td>
<td>[NO DATA]</td>
<td>[NO DATA]</td>
<td>IT Incl. in Phone/ Network Monthly Charge</td>
<td>[NO DATA]</td>
<td>44.00 Flat Rate Not Fully Loaded</td>
</tr>
<tr>
<td>Sacramento</td>
<td>NP</td>
<td>NP</td>
<td>NP</td>
<td>NP</td>
<td>NP</td>
</tr>
<tr>
<td>Seattle</td>
<td>NP</td>
<td>NP</td>
<td>NP</td>
<td>NP</td>
<td>NP</td>
</tr>
<tr>
<td>CRESA</td>
<td>399.00</td>
<td>[NO DATA]</td>
<td>[NO DATA]</td>
<td>[NO DATA]</td>
<td>[NO DATA]</td>
</tr>
<tr>
<td>WCCCA</td>
<td>265.00 (User) 496.35 (NON)</td>
<td>[NO DATA]</td>
<td>[NO DATA]</td>
<td>[NO DATA]</td>
<td>70.00</td>
</tr>
</tbody>
</table>

### TECHNOLOGY SERVICES RATE EXPLANATION

City’s rate methodology and cost elements are known; however, the public sector methodologies and cost elements are unknown. No data was provided by Cincinnati, Denver, Sacramento, or Seattle.

Charlotte’s Trunked Radio Access Rate is set using a cost allocation plan to determine a per radio rate $33.09 and a maintenance per radio rate $8.20 = $41.29 per month or annual rate of $495.48. It also includes radio repair, and support. Their rate is also bundled with business solution, support center, and radio shop costs.

Kansas City has no separate rate for Trunked Radio Access; however, their radio shop hourly rate is a flat rate of $44 per hour.
CRESA (Clark County Emerged Services Agency) in Washington state charges $33.25 per Radio per user per month for trunked radio access, which does not include a radio (Annual rate: $399). They are currently revisiting their rates structure and moving towards an all-encompassing system rate for users by the end of the year.

WCCCA (Washington County Consolidated Communications Agency in Oregon) users (Washington County Government Agencies: Fire, Police) have their own radios and are charged $265 per year to access trunked radio systems. Non-users are charged $496.35 per year.

There was no relevant data collected for comparison for Business Solutions, as many cities do not list it as a separate rate, and as noted above, Charlotte includes it in Trunked Radio Access.

Charlotte’s Support Center rate is rolled into Trunked Radio Access, so there is no separate charge. IT Services are included in Kansas City’s phone and network monthly charge. Denver has no rate. Seattle did not respond to any calls.

There was no relevant data collected for comparison for Project Management.

Radio Shop costs for Charlotte are rolled into their Trunked Radio Access Rate. In Kansas City, Radio Shop costs are $44 per hour, which is not fully loaded. WCCCA charges $70 per hour. CRESA does not repair radios; the user is responsible for their own radio maintenance and repair.
RESULTS

Trunked Radio Access Rate: Comparing the City’s rate with the public sector is a valid comparison. (Red Apples to Green Apples)

Radio Shop Rate: Comparing the City’s rate with the public sector is not a valid comparison. (Apples to Oranges)

Support Center Rate: Comparing the City’s rate with the public sector is not a valid comparison. (Apples to Oranges)

Project Management and Business Solutions Rates: No information was collected that can be used for valid rate comparison.
In addition to cost of service rates in Fleet Services, Facilities Services, Printing and Distribution, and Technology Services, the City requested Synergy Resources Group research rates of Cost Allocation—the process of identifying, aggregating, and assigning costs to services—charged to City bureaus by the Bureau of Technology Services and compare them with entities offering similar services in the private and public sectors. OMF’s goal in Cost Allocation is to provide stable, predictable, and equitable costs and rates to the various organizations that purchase BTS services, and the City requested of SRG to analyze whether the methodology for arriving at these costs and rates was sound, reasonable, and fair.

Four additional categories for Cost Allocation were selected:

- Email
- Server
- Desktop
- Information Security

The content in this section includes the City’s Cost Allocation Policy, detailed descriptions of each of the four categories in this research and rate calculations (obtained through extensive review of City rate allocation file and analysis of rate setting methodology). Details from data collection from public and private business entities with regard to rates, and recommendations from Synergy Resources Group as to the comparison are also included.
DEFINITIONS & RATE CALCULATIONS

EMAIL ACCOUNT RATE

- Provide remote access to e-mail and calendaring on a 24x7 basis via Outlook Web Access.
- Provide City e-mail accounts with a maximum of 500MB of storage space, with additional storage available on a billable basis.
- Provide City business e-mail accounts (setup and deletion of special addresses for websites, business processes, mailings, multiple user access).
- Provide e-mail send-and-receive across the City intranet and public Internet.
- Assist with creation and management of e-mail distribution lists.
- Provide the ability to manage conference rooms, and resources such as vehicles, IT equipment and audiovisual equipment.
- Manage acceptable file attachment policies for corporate email to protect the City from virus vulnerabilities delivered via email.
- Manage and update email SPAM and anti-virus filtering processes and technologies.

Email Account Rate is $28.80 per email per year.
(Number of email accounts ÷ total email accounts multiplied by total cost pool $346,677 less 1/3 of expanded mailbox revenue ÷ the total number of all email accounts = $28.80 per year)

SERVER RATE

- Provide physical and virtual server planning and provisioning.
- Perform server management and administration.
- Perform hardware upgrades.
- Facilitate operating system patches and upgrades.
- Provide server hardware life cycle management.
- Manage server-based real-time antivirus protection.
- Perform data backup and recovery services.
- Set up for test servers and development servers.

Server Rate is $8,938.94 per server per year.
(Productions Systems Cost Pool $2,377,619–SQL Database revenue $17,740 ÷ by the number of servers = $8,938.94)
DESKTOP RATE

- Provide hardware support for City standard hardware.
- Install and maintain City standard software (Operating system, Office suite, Internet Explorer, etc.).
- Patch supported operating system(s), Office Suite, Internet Explorer, Adobe Acrobat, Adobe Flash and Java Anti-virus and anti-spyware protection.
- Troubleshoot and problem-solve for desktop and laptop standard City hardware, including operating systems and productivity software such as MS Office, Visio, Project, Adobe Acrobat and Internet Explorer.
- Troubleshoot and problem-solve for standard City Workstations.
- Provide installations and upgrades of non-standard software with an Approved Exception.
- Provide installation, setup, and support of non-standard hardware with an Approved Exception.
- Provide cascading of workstations.
- Set up Kiosks.
- Provide MDC installation and support for Fire Bureau.
- Facilitate moves of workstations.
- Facilitate recovery of data off of local disk drives or external drives or media.
- Facilitate customer initiated Life Cycle Replacement.

Desktop Rate is **$869.09 per desktop per year**, with an additional rate of $134.00 per year associated with that which covers replacement. (Total PCS 4,162 ÷ total PCS and LAPTOPS multiplied by total support center direct and indirect costs - $4,656,577 ÷ total PCS 4,162 = $869.09 allocation)

INFORMATION SECURITY RATE

- Ensure the confidentiality, integrity, and availability of all City data and communications systems and assets.
- Develop and measure compliance with information policies and procedures.
- Minimize risk through implementation of effective technical, administrative, and physical security controls.
- Develop and maintain the Bureau of Technology Services business continuity and disaster recovery plan.

Information Security costs are allocated out to customers as part of BTS Corporate Services. Customers are charged a fixed amount each month to cover for services that include
Information Security, E-Government, IT planning and E-Commerce. The allocation to each City bureau is based on the amount of their interagency agreement with BTS; therefore, there is no single rate to list here.

Detailed calculations for previously listed rates are included in Appendices 6.1-6.4 to this study.
PRIVATE SECTOR COMPARISON

All of the data collection activity taking place for cost allocation in the private sector drew the same conclusion: Private Sector technology companies package/bundle nearly everything for the customer in order to provide both ease-of-purchase and cost savings. Therefore, much of the research obtained was quoted as “varies” due to the varieties of services offered in the bundle—which companies referred to as a Managed Services Rate or Managed Services Agreement—as well as the variety in types of equipment, the options from various outsourced companies such as Microsoft, etc. Individual rates that Synergy Resources Group was able to obtain are outlined in detail below.

ITEMIZED SERVICES PER DESKTOP/PER YEAR – 6.1

<table>
<thead>
<tr>
<th>OMF/ BUSINESS</th>
<th>PER EMAIL RATE ($)</th>
<th>DESKTOP RATE ($)</th>
<th>SERVER RATE ($)</th>
<th>INFORMATION SECURITY RATE ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Rates</td>
<td>28.80</td>
<td>869.09</td>
<td>8,938.94</td>
<td>Varies</td>
</tr>
<tr>
<td>BTS-3</td>
<td>6.00-20.00</td>
<td>35.00 per hour remote, 50.00 per hour onsite</td>
<td>1,800.00</td>
<td>Part of Managed Service Agreement</td>
</tr>
<tr>
<td>BTS-8</td>
<td>No Quote</td>
<td>No Quote</td>
<td>No Quote</td>
<td>No Quote</td>
</tr>
<tr>
<td>BTS-2</td>
<td>Part of Managed Service Agreement</td>
<td>Part of Managed Service Agreement</td>
<td>Part of Managed Service Agreement</td>
<td>225.00 per month per server</td>
</tr>
<tr>
<td>BTS-9</td>
<td>Part of Managed Service Agreement</td>
<td>Part of Managed Service Agreement</td>
<td>Part of Managed Service Agreement</td>
<td>Part of Managed Service Agreement</td>
</tr>
</tbody>
</table>
SUMMARY

In Table 6.1 on the previous page, SRG attempted to itemize services to easily compare between the City’s separate rates and those rates that SRG was able to obtain as stand-alone from the private sector entities.

For Email 365 (the Microsoft platform), BTS-3 quoted a $6-$20 range depending on services, particularly highlighting an outsourced option that Microsoft carries that includes support. BTS-2 made the same comment regarding outsourced Microsoft support; however, includes it in their management services rate.

BTS-3 offered a $150 per month contract for managing servers or $1,800 annually, but BTS-2 and BTS-8 provided server support only as part of a managed services rate.

Desktop computer support was quoted at $35 per hour remote/$50 per hour onsite by BTS-3, but also offered a $150 per month Managed Services Rate and/or hourly labor rate with a contract, bundling everything into a package.

BTS-2 quoted $225 per month per server rate for Information Security, but BTS-3 and BTS-8 both included Information Security in a Managed Services Rate, with BTS-8 specifically not willing to provide a flat rate, citing variables such as server types, users, etc. BTS-2 didn’t require a contract or a minimum for its Managed Services Rate, but it was not broken down by category and was specifically bundled to include a wide net of services—not solely Information Security.
PUBLIC SECTOR COMPARISON

Of the cities surveyed, only Denver and Charlotte responded regarding Cost Allocation rate for technology services.

Charlotte said that in their current fiscal year they do not break down the technology services by each individual type of cost, but have spent the last several months using a new full-costing model to break down technology services by each service portfolio. They submitted a query to their IT department to request final numbers, but there was no additional response.

Denver, also, stated that they do not break out individual costs for technology services, but that they do use a resource for budgeting purposes that gives an estimate on the costs to purchase for some of the items, such as servers.

COST ALLOCATION RECOMMENDATIONS

As stated on the previous page, it was extremely difficult to obtain a quote from private sector technology businesses for the four categories of cost allocation for the Bureau of Technology Services rates Synergy Resources Group was asked to research, due to the fact that nearly all of the companies offered a Managed Services Rate bundling all four services. This, in the private sector, makes perfect sense, as customers are looking for an “all-in-one” easy solution, and there is usually no benefit to breaking out costs of services individually when a customer is going to purchase multiple options or all of them. This, of course, makes it a true Apples to Oranges comparison when comparing BTS cost allocation methodology for Email, Servers, Computer Support, and Information Security to private sector technology offerings.

As Synergy Resources Group, through careful analysis and these requests, determined that the methodology the City uses for Cost Allocation is sound and that the steps taken to arrive at that methodology are logical and reasonable, the recommendation is that the City continue using their existing Cost Allocation methodology for the four BTS rates analyzed.
RECOMMENDATIONS FOR FUTURE STUDIES

In the interest of providing OMF with the most efficient and cost-effective means of performing rate studies, Synergy Resources Group has provided a list of recommendations for how to best prepare external consultants for similar studies in the future:

- **Write down the steps taken to calculate the rate for various services.** This should include specific details as to whether it’s an hourly rate, monthly rate, etc., and should be done prior to the project beginning.
- **Provide a list of all acronyms, accounting codes, and abbreviations used.** Providing this list, including definitions, will significantly reduce inquiry time.
- **Include an explanation for any ‘sidebar’ calculations the preparer uses.** Without an explanation, Synergy Resources Group was unable to determine whether the calculations were relevant, or if they should be paid attention to at all.
- **Use a notes column and/or highlighted cells in the spreadsheet.** This can be used in order to provide comments where the prepare thinks the consultant might raise a question—such as when there is a significant variance from one year to the next in a particular income or expense category.
- **Provide all OMF and other relevant policies at the beginning of the project.** Synergy Resources Group only received two at the outset, and it would have been very helpful for the preparers to have the policies that guide the procedures they use.
- **Provide a deeper dive into the “big picture” of how OMF operates,** as well as detailing the relationship between OMF and the bureaus.
- **Provide a more detailed step-by-step process for the rate fund overview.** Though the person responsible for the fund was helpful at the outset, this thorough detail would have made for a much more efficient process.
INFORMATION ABOUT SYNERGY RESOURCES GROUP

Debra Dunn founded Synergy Resources Group (WBE and ESB certified) in 2012 based on a clear vision that the cooperation of specially selected individuals using their distinct talents leads to greater results for businesses, organizations (501c3 and 501c6) and government entities. By focusing on a singular goal—enhancing performance—Synergy's approach provides the knowledge and talent an organization needs to move forward and thrive.

Dunn specializes in working with businesses and nonprofit organizations facing market-driven change and transformation. Her expertise is in her ability to assess an organization’s position, develop short- and long-term business plans that set measurable goals, and subsequently lead an implementation team of knowledgeable and well-trained consultants and staff. Dunn leverages a unique organizational analysis and performance tool called 4Key in this process.

4Key is an organizational development and performance model Dunn designed to increase and organization’s effectiveness, efficiency and to enable the organization to achieve its strategic goals. The process involves data collection and analysis in four key areas of an organization: Fiscal Management, Marketing/Business Development, Operations/Systems, and Management/Personnel. Dunn analyzes your organization’s internal capacity, strengths and opportunities for improvement and turns the analysis into action using decision driven tactics. After the analysis, a comprehensive business plan—including a series of prioritized recommendations—is provided in each area. An implementation plan follows which includes action items and timelines for assigned individuals/teams. Guidance/coaching/training is provided to the organization’s principals and/or employees to enable successful completion of the recommendations to achieve their defined goals. Variations of the model are used depending on the specific client’s needs.

With 20 years of business and executive leadership experience, Debra Dunn has a proven track record of articulating a common vision and leading diverse interests to desired outcomes. Through Synergy Resources Group, she applies her successful business principles to organizations that, when adopted, deliver positive results.

CONTACT:
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Debra Dunn, President
debra@synergyresourcesgroup.com
503-780-4039
APPENDICES

- City of Portland policies:
  - Budget Development [Appendix 1.1]
  - Fund Accounting [Appendix 1.2]
  - Fund Balance [Appendix 1.3]
  - Cost Recovery [Appendix 1.4]
  - Capitalization [Appendix 1.5]
  - Major Maintenance [Appendix 1.6]
  - Replacement of Internal Service Funds [Appendix 1.7]

- Northwest Automotive Trades Association (NATA) rate survey [Appendix 2.1]
- Colliers International report [Appendix 2.2]
- Norris Stevens report [Appendix 2.3]
- CoStar Report [Appendix 2.4]
- Jones Lang La Salle report [Appendix 2.5]

- National Association for Printing Leadership (NAPL) study [Appendix 3.1]

- Sample Interagency Service Agreement [Appendix 4.1]

- Charlotte, NC contract with RICOH [Appendix 5.1]
- Charlotte, NC Cost Allocation Plan [Appendix 5.2]

- Detailed BTS City Rate Calculations:
  - Email [Appendix 6.1]
  - Server [Appendix 6.2]
  - Desktop [Appendix 6.3]
  - Information Security [Appendix 6.4]

- OMF Organizational Chart [Appendix 7.1]