# Image of Exercise 1 current operations costs worksheet

The Department of People Services proposes to improve access to records by digitizing paper records and closing down its records warehouse.  The Records Unit currently has 10 full time and five (5) half time warehouse workers ($3,699), as well as one (1) Staff Services Manager I ($6,796) and two (2) Office Technicians (General) ($3,455) (all permanent).  The cost for benefits is 30%.

Rent for the warehouse is $10,000 per month, utilities are $1,000 per month, and the cost to maintain the microfiche machine is $1,000 per month.  The warehouse purchases 100 boxes of paper per year at the cost of $20 per box.



The DPS’s recommended alternative is to scan the paper records in the warehouse and store the records in a new electronic content management repository.

**PLANNING**: The project planning lasts nine (9) months (10/1/18 – 6/30/19) and includes one existing Staff Services Manager (SSM) I ($6,320/mo.), one existing (1) IT Specialist I ($7,253), and a benefit rate of 30%. For planning, the DPS hires an outside vendor ($75K for nine mos.) to assist with Stages 2 – 4 and also has CDT PAL Manager costs of $39,690 ($147\*30 hrs. monthly\*9 mos.)

**PROJECT**: The project will last two years, 10 months (7/1/19 – 4/30/22).  The DPS needs one new IT Specialist ($7,253) and one new IT Associate ($5,492) for the project duration.  The DPS will also redirect one SSM I ($6,320) and one Office Technician ($3,040) to work on the project.  The benefit rate continues to be 30%. **Remember to prorate the staff time in FY 2021/22**; (total positions/12\*number of months).

The new repository software is $150K one time (in first project year) and $5K annually after for support. The scanning software is needed and costs $25K one time (in first project year) and $1K annually after for support.  The DPS needs to purchase five new scanners at $1500 each and all of the storage/servers will be hosted by a cloud services provider at a rate of $2K/per mo. beginning in the first project year.  A vendor will be hired to scan all of the paper documents. The vendor charges $5 to scan 100 sheets of paper.  There are one million sheets of paper in the warehouse (1,000,000/100 = 10,000 x $5 = $50K).  A system integrator is needed to configure the repository and scanning software and setup the database at an estimated cost of $100K. **Prorate annual FY 2021/22 costs as appropriate**.

The PM services provided by the CA-PMO ($125K/year; final year prorated for 10 months – ($125,000/12\*10 or $104,167) through the duration of the project and a CDT Oversight Mgr. estimated costs of $119,952 ($147\*68\*12) per year; final year prorated for 10 months – ($147\*68\*10 or $99,960).



The project goes live on 5/1/2022. The partial FY costs (from 5/1 – 6/30/2022) during maintenance and operations (M&O) need to be captured. Therefore, **prorate FY 2021/22 costs as appropriate**. The final M&O FY year (FY 2022/23) (when M&O costs are stable with no fluctuations for a period of 12 months) provides the total annual future M&O costs.

**Costs**: In order to operate and support the recommended alternative, the department will not need any of the Warehouse Workers.  They will retain the one Staff Services Manager I ($6,320) and both of the Office Technicians ($3,040).  The Department will need two new Office Technicians ($3,040) to scan future documents and one new Staff Information Systems Analyst ($6,130) to maintain the new system. Staff benefits continue at a rate of 30%.  The warehouse will be closed, paper will no longer be purchased, and the microfiche machine will no longer be needed.  Cloud services, repository, and scanning software support costs will continue in future annual operations.

Any cost savings from current operations will be redirected to help fund the new process.  Half of any additional funding will be provided through the General Fund and the remaining funding will be provided though Special Funds.

Be sure that your Row 24 “Total Additional Funding” matches funding requested in your BCP.

Remember to add any Future FYs not already contained in the blue “Project Costs” section to the green “Future Annual” section. Add percentages to the “Funding Source, State Operations” section as needed.