

MILWAUKEE COUNTY FISCAL NOTE FORM**DATE:** October 31, 2022Original Fiscal Note Substitute Fiscal Note

SUBJECT: From the Director and Chief Information Officer, Information Management Services Division, Department of Administrative Services (DAS-IMSD), requesting approval to execute a contract, consisting of a Master Services Agreement with exhibits and a Statement of Work ("contract"), with OneNeck IT Solutions LLC, for data center and disaster recovery services for a three-year period with one optional one-year extension for total fees of \$5,045,689.08.

FISCAL EFFECT:

- No Direct County Fiscal Impact
- Existing Staff Time Required
- Increase Operating Expenditures
(If checked, check one of two boxes below)
- Absorbed Within Agency's Budget
- Not Absorbed Within Agency's Budget
- Decrease Operating Expenditures
- Increase Operating Revenues
- Decrease Operating Revenues
- Increase Capital Expenditures
- Decrease Capital Expenditures
- Increase Capital Revenues
- Decrease Capital Revenues
- Use of contingent funds

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	2023	2024	2025
Operating Budget	Expenditure	\$1,681,896.36	\$1,681,896.36	\$1,681,896.36

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.

The Director and Chief Information Office, Information Management Services Division, Department of Administrative Services (DAS-IMSD), requests approval to execute a contract, consisting of a Master Services Agreement with exhibits and a Statement of Work ("contract"), with OneNeck IT Solutions LLC (OneNeck), for data center and disaster recovery services for a three-year period with one optional one-year extension for total fees of \$5,045,689.08.

- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g., State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.

OneNeck data center and disaster recovery services are used and budgeted for each year to support the technical operations of Milwaukee County. DAS-IMSD plans for and requests dollars in its budget each year to cover the costs, including for 2023. This contract moves the County to newer technology, improves disaster recovery capabilities, and reduces projected annual costs. Based on DAS-IMSD's 2022 forecast of OneNeck costs (approximately \$2,000,000), the new contract represents a projected annual savings of approximately \$300,000 (\$900,000 over three years) (estimated annual OneNeck costs of \$1,681,896).

- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.

There are no impacts to the 2022 budget. For 2023, DAS-IMSD has budgeted sufficient funds for OneNeck costs outlined in this contract (i.e., \$1,681,896) and possible additional costs due to increased OneNeck usage (e.g., additional services required, increased usage of metered services, etc.). DAS-IMSD indicates on-going support costs are variable and will likely fluctuate as the County's need for IT services expands and contracts.

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

² Community Business Development Partners' review is required on all professional service and public work construction contracts.

DAS-IMSD indicates on-going support costs are variable and will likely fluctuate as the County's need for IT services expands and contracts (i.e., Monthly Service Adjustments). In the proposed contract, DAS-IMSD and OneNeck have agreed to conduct an annual evaluation of the net impact of the Monthly Services Adjustments. If modifications to the monthly service fees are required, DAS-IMSD and OneNeck will execute a Change Order, which will be approved by the County Executive, Corporation Counsel, and Comptroller and paid from DAS-IMSD's authorized 2024 and 2025 budgets.

D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

The on-going cost estimate is based on the current resource needs (e.g., the number of servers and storage resources) of Milwaukee County's infrastructure and application environment.

Department/Prepared By Matt Johnson – IT Director Governance and Business Solutions, DAS-IMSD

Authorized Signature Lynn J. Fyhrlund – Director and Chief Information Officer, DAS-IMSD



Did DAS-Fiscal Staff Review? Yes No

Did CBDP Review?² Yes No Not Required