



MEMORANDUM

TO: State Department Directors  
State Department Financial Managers  
Iowa Department of Management Budget Analysts

FROM: Mollie Anderson

DATE: July 27, 2005

RE: DAS Utility Rates – Comment Period Begins

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*Special thanks and appreciation to Nancy Richardson, HRE Customer Council Chair, Charlie Smithson, GSE Customer Council Chair, Steve Mosena, ITE Customer Council Chair and Roger Stirler, Interim I/3 Customer Council Chair for their leadership and customer advocacy during the rate setting process for FY 2007.*

Attached are two documents which contain DAS utility rate information that will assist you in the FY 2007 budgeting process:

1. **Proposed FY 2007 DAS Utility Rates** - developed and tentatively approved by the GSE, HRE and ITE Customer Councils; you will find corresponding footnotes are best viewed in "print layout" mode. This information is being presented for your review and begins a 30-day comment period during which these DAS Customer Councils hope you will ask questions and offer feedback. At the conclusion of the comment period (**August 27, 2005**), each Customer Council will evaluate your comments and vote a final rate approval. *At this time, the I/3 rate setting process is not complete. A separate communication and comment period will be utilized for this utility service once the proposed rate has been finalized.*

A description of each utility service can be found on the department's new service catalog at <https://eDAS.iowa.gov>. Please note that you may look up any service by clicking in the "Search Services" box on the first page without actually logging in.

2. **Comparison of Projected Expenses for DAS Utilities** – this document will help you understand the impact of the FY 2007 DAS utility rates on your agency; it charts the differences between your agency's estimated FY 2006 and FY 2007 DAS utility costs. *FY 2007 utility rates are currently under review by customers, as outlined above. Should any material changes occur in the rates following that process, DAS will communicate those changes.*

General Notes. Most, but not all, utility costs are shown on this document. Notice that costs for marketplace services are not included. As you know, four different DAS customer councils set DAS rates, each using a slightly different approach. Variances may result from simple rounding.

- DAS-State Accounting Enterprise. The I/3 rate is now set by an interim I/3 Customer Council. Rate discussions are not complete. A separate communication regarding the I/3 rate and the projected budget impact will be sent once the Council has approved the rate.
- DAS-Information Technology Enterprise. The ITE Common Directory charges use single, fixed annual rates and quantities.
- DAS-Human Resources Enterprise. HRE utility charges use the actual number of permanent full time and part time employees as of the most recent pay period as a basis for billing. The HRE flexible spending account administrative charge is not included in the projection. The workers compensation charge amount reflects an annual experience analysis used for FY 2006 billing by the Touche Ross accounting firm.
- DAS-General Services Enterprise. Effective for FY 2007, occupants of the Ankeny Lab will pay one rate for association services. For FY 2007, the methodology for Mail Administration fees has changed to an allocation rather than a per piece rate. The GSE leasing fee at the seat of government (SOG) uses an allocation of floor space for each agency with such a lease. The GSE Fleet Management fee and the GSE Self-Insurance Monthly Vehicle Premium fee use the number of active vehicles in an agency each month; therefore, actual billed rates and quantities will vary. Since we cannot project customer usage, we are unable to project budget impact for the Design & Construction professional hourly fee and the Outside Seat of Government Leasing management hourly fee. If you use Design & Construction to manage capital projects for your agency, you should plan for this added administrative cost in your capital budget.

### **Providing Comment – by August 27, 2005**

You may communicate feedback about these rates with DAS and the Customer Councils by clicking on the “Submit Questions” link shown on the first page of the DAS Website ([www.das.iowa.gov](http://www.das.iowa.gov)), and also as shown below:

<p><b>FY 2007 RATES</b> <b>Proposed FY 2007 Rate Questions and Answers</b> <a href="#">Submit Questions</a> <a href="#">Question and Answer Log for Proposed FY 2007 Utility Rates</a></p>
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Your questions/comments will be logged at this site and forwarded to the appropriate DAS staff or Customer Council chair for follow up. DAS will respond to the individual who submitted the question and post the answers at the website, as shown above ([Question and Answer Log for Proposed FY 2007 Utility Rates](#)).

You will find helpful information about DAS rates for FY 2006 and FY 2007 at the DAS website: <http://www.das.iowa.gov>. Please send questions about this topic to Denise Sturm at [Denise.Sturm@iowa.gov](mailto:Denise.Sturm@iowa.gov). We truly appreciate your continued support and look forward to serving you.

# PROPOSED FY 2007 DAS UTILITY RATES

July 27, 2005

DAS UTILITIES	DESCRIPTION OF BILLING UNIT	FY 07 ANNUALIZED RATE <sup>1</sup>
<b>Information Technology Enterprise (ITE)</b>		
Directory Service	Full- & Part-time Perm. Employee-3 <sup>rd</sup> Qtr FY2005	\$9.40
<b>5-quarter average through 3<sup>rd</sup> Quarter of FY05:</b>		
<b>Human Resources Enterprise (HRE)</b>		
Benefits	Full- & Part-time Perm Employee	\$28.80
Personnel Officers	Full- & Part-time Perm Employee	\$65.88
Labor Relations	Full- & Part-time Perm Employee	\$31.56
Employment Services:		
Merit Only	Full- & Part-time Perm Employee	\$19.68
Merit and Non-Merit	Full- & Part-time Perm Employee	\$60.12
Health Insurance Surcharge	Per participant	\$24.00
Golden Dome	Full- & Part-time Perm Employee	\$2.00
<b>General Services Enterprise (GSE)</b>		
Association Fees		
Office Space	Per square foot	\$3.44
Storage Space	Per square foot	\$2.50
Ankeny Lab <sup>2</sup>	Per square foot	\$5.57
Purchasing <sup>3</sup>	Annual allocation	N/A
Mail Administration <sup>4</sup>	Annual allocation	N/A
Blanket Bond	Full-time & Part-time Perm. Employee- 3 <sup>rd</sup> Qtr FY2005	\$2.06
Fleet Risk	Per Vehicle	\$209.28
Leasing, Admin Fee at Seat of Govt.	Per square foot	\$0.11
Fleet Management	Per Vehicle	\$225.00
Fleet Depreciation <sup>5</sup>	Per Vehicle	N/A
Design & Construction Professional Services	Per Hour	\$116.85
Outside Seat of Government Lease Mgmt Fee	Per Hour	\$50.90

<sup>1</sup> Included with this communication is information projecting budget impact for each utility rate for their department.

<sup>2</sup> The FY2007 Ankeny Lab rate has moved to one rate for association fees. Lab occupants will not pay the Office Space rate.

<sup>3</sup> Purchasing allocations will be the same as the FY 2005 rate for each agency.

<sup>4</sup> Mail administration will be billed as an allocation.

<sup>5</sup> Fleet depreciation will be billed in compliance with OMB Circular A-87 requirements. Rates and charges are contingent on vehicle type and purchase date.