



**Value-Added Service Fee #** 18

Presented to the Department of Administrative Services (DAS)

Date Prepared: 10/25/2010

**Value-added service fee to be reviewed: Forestry Seedling service fee**

**Agency:** DNR

**Value-Added Service Fee Cost, Funds and Funding Source:**

Please list the internal and external resources/costs for the value-added service fee:

A. Internal Resources/Costs (e.g., hosting fees, application maintenance costs)	\$8,100.00
B. External Resources/Costs (e.g., ePay fees, credit card fees)	\$12,600.00
C. Projected value-added fee per transaction	\$5.00
D. Projected number of annual transactions charged value-added fee	3,000
E. Projected annual funds raised by this value-added fee (C multiplied by D)	\$15,000

**Timelines:** Online Tree Seedlings sales are typically from August till May yearly. The DNR is in process of implementing an online ordering system which is expected to be in production in November.

**Reason for the Value-Added Service Fee:** In order for DNR to maintain the processing system we need to charge an administration fee for all orders: mail, phone, or online. The fee is needed to insure associated credit card and maintenance costs are covered since the nursery is self sufficient and no general funds are used in production of seedlings for the State of Iowa.

**Background:**

Outline the statutory basis for the fees of this service: Iowa Code 455 A-13 & 456 A-20 and Iowa Administrative Rule 74



Outline alternative fees for this service (over-the-counter and any other fees related to this service):  
All orders will be charged the same service fee.

**Expected Results:**

What are the tangible and intangible benefits of this value-added service fee for this agency and/or state government? Current system is greater than 10 year old fox pro system that is no longer supported. Currently DNR manually process credit card payments and with PCI compliance we need to replace this system.

Can these benefits be quantified in financial terms? Yes If yes, please explain. The past system is no longer supported by Fox Pro, this new system will be supported and will be in compliance with State of Iowa IT standards.

How will you be more effective as a result of this value-added service fee? Because of the constraints of the old system, DNR would like to be able to use data from previous years, show trends in sales, and provide results to partners in forestry.

How will service to your customers be enhanced as a result of this value-added service fee? Customers want to be able to order online and view current inventory/status of the order.

**Some of the Interested Parties:** USDA Forest Service, Natural Resource and Conservation Service, Farm Service Agency (all of which use the data provided for cost share programs for citizens)

**Some of the Recipients of this Service:** Citizens of Iowa that will be purchasing tree seedlings

**Recommendation to the DAS Director:**

Authorize this value-added service fee

*JT* 11/10/10  
Yes  No

Alternatives

(see comments below)

Yes  No

Additional comments:

*Ray Walton*  
11-15-10

*JT* 11/10/10