

**PRICING OF PRODUCTS
AND SERVICES**

**I. PURPOSE
OF POLICY**

To establish a policy regarding pricing for hard copy records (documents, maps, etc.), electronic data and products available from the Vermont Center for Geographic Information, Inc. (VCGI).

The June 1995 revision of this policy is intended by the VCGI Board of Directors to accomplish or address the following:

- ▶ Simplify and remove inactive provisions
- ▶ Revisit intent and statements of VCGI policy
- ▶ Update VGIS statutory references as a result of Act 204 of 1994
- ▶ Update organizational references (from OGIS) to VCGI
- ▶ Refer to emerging Federal policy (revisions to OMB Circular A-130), and
- ▶ Simplify billing procedures while assuring that the same practices related to VCGI-provided data and services apply to all customers.

The Board does not intend this revision to reflect any substantive change in VCGI policies which have been in effect for several years. The Board recognizes that the Executive and Legislative branches are currently more active in their concerns about information policy than in previous years. Therefore the Board has directed the VCGI staff to:

- ▶ convey current policy to Executive and Legislative leaders, along with the understanding that this revision was made in order to assist them in gaining a clear understanding of current VCGI policy, and not to pre-judge the possible outcomes of their policy deliberations,
- ▶ offer assistance in developing public awareness of policy questions and VCGI's five years of experience in the area of electronic public information, and
- ▶ prepare recommendations for discussion at a future meeting of the VCGI Board of Directors regarding policy alternatives, and the implementation of any guidance conveyed by Executive and/or Legislative authorities.

**II. STATEMENT
OF POLICY INTENT**

A. To encourage widespread use of VGIS information products and services, to broaden the base of users of GIS technology and data, and to allow for user participation in determining the most useful hard copy and electronic public records and data products that can be offered for the statutory cost of copying, and the most useful services that can be offered on a "cost recovery" basis;

B. To "ensure that VGIS data is readily available for the purposes of chapter 117 of Title 24, as well as for the support of efficient and economical geographic analysis and decision-making by government, business, and citizens of Vermont, at a reasonable cost and in reasonable forms." (10 VSA Chapter 8)

C. To establish a consistent and understandable basis for pricing electronic products and services; and

D. To maximize the extent to which VCGI can provide good value for the taxpayers' support by establishing pricing practices which recover the actual costs of providing copies of public records, and which ensure that all indirect costs of obtaining specialized VCGI services are incurred by the customer or others.

III. STATUTORY BASIS

A. 10 VSA Chapter 8 establishes "a nonprofit public corporation to be known as the Vermont center for geographic information. . . as a body corporate and politic and a public instrumentality of the state." It states the finding of the General Assembly that: "Increased electronic access to the state's information systems will enhance the delivery of public services, production of new products and services based on Vermont's investment in spatial information, and the availability of that spatial information throughout the state."

B. 1 VSA Chapters 315-320 sets forth the access to public records requirements for Vermont public agencies . The law was written before the advent of computers and magnetic storage of electronic data and products, but provides the foundation for current VCGI policy.

C. VCGI financial practices adhere to the provisions and standards specified by Office of Management and Budget (U.S. Government) Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Organizations", Government Auditing Standards issued by the (U.S.) Comptroller General, and generally accepted accounting principles (GAAP). 10 VSA Chapter 126 requires that VCGI's bookkeeping records be audited annually.

IV. POLICY

VCGI shall operate according to policies which assure:

- 1) that VGIS computerized data and electronic products are publicly available at a "reasonable cost,"
- 2) that "all indirect costs of obtaining [computer-related] services are incurred by the customer or others." and
- 3) adherence to 1 V.S.A. §§ 315-320 with respect to the access of the public to its records and documents.

A. Reasonable Costs: VCGI shall charge customers the reasonable costs of providing computerized data, or electronic products and services. VCGI charges are detailed in the *VGIS Handbook*, Part 4, Section C: Pricing Schedule; reasonable charges may include charges for media, facilities, materials, labor (including indirect costs). Labor costs associated with copying data do not include labor costs relating to data development or maintenance.

B. Pricing Schedule: VCGI will publish a "Pricing Schedule" clearly outlining the cost to a customer of obtaining any service or VGIS information product available. See the *VGIS Handbook*, Part 4, Section C: Pricing Schedule.

There are many cases where it is not possible or in the best interest of the overall VGIS user community to charge scheduled rates for a particular VGIS service or information products. Examples of these cases include, but are not limited to:

- 1) Projects which develop significant "common pool" databases or geographic coverages,
- 2) Stable, multi-year, ongoing projects which require large amounts of services and/or information products, and
- 3) Projects which have considerable environmental, planning conservation, or state policy significance, and do not have adequate budgets to pay full costs.

So as not to eliminate these projects from consideration, and to further the mission of VGIS and minimize the impact on other users, the VCGI Executive Director may offer a discount based on total cost of the VGIS service or information products requested. Charges may be reduced or waived if the services and products are to be used for a public purpose, including public agency program support, nonprofit activities, journalism and academic research. Reductions and waivers or charges shall be uniformly applied among persons and organizations which are similarly situated.

C. Media: VGIS data will be distributed on magnetic media unused or otherwise proven to be free of defects, and in accordance with media and format standards determined by VCGI, in order to maintain data integrity and compatibility. See *VGIS Handbook*, Part 4, Section B, Formats for Distribution.

D. Media and Supplies Charge: An amount shall be charged consisting of VCGI's actual cost of electronic media or other supplies. VCGI will periodically adjust its pricing schedule on the basis of

prevailing market costs.

E. Charge for VGIS Services: A charge for VCGI services will be computed on the basis of labor and/or facilities required, plus materials. Cost estimates will be prepared upon request, referencing applicable labor and/or facilities rates on the current VCGI Pricing Schedule. A "Memorandum of Understanding" or a letter of intent may be required by VCGI prior to the start of work on a project estimated to cost in excess of \$400.

F. Retention of VGIS Information Products: VGIS information products are intended for the use of the customer. VCGI reserves the right to retain a copy of all computerized data or VGIS information products developed for a customer unless arrangements to the contrary are specified in writing.

G. Billing for Services and VGIS Information Products: In order to efficiently administer delivery of services and VGIS information products, VCGI billing procedures will include the following provisions:

- 1) An invoice will accompany each VGIS information product delivered, except those for which the cost of copying is less than five dollars, and to those customers who request computerized data from VCGI on a regular basis. All invoices will be considered payable upon receipt,
- 2) Billing for services and invoices payable will be done on a monthly basis,
- 3) Customers who accumulate several invoices of less than five dollars and customers who request computerized data on a regular basis will be provided periodic statements by VCGI whenever total invoices payable exceed ten dollars, or quarterly.
- 4) For projects estimated to cost in excess of \$400, any customer may be requested to provide a pre-payment amount not to exceed 50% of estimated final project costs.
- 5) Where customers have demonstrated a history of past due invoices, VCGI will undertake no new project work until past due accounts have been paid. Any future project work on these accounts may require full pre-payment based on estimated project costs.

The Executive Director of VCGI may implement procedures which recognize the value of in-kind services or information products in financial relationships with local governments, or with other public or private entities which are party to a "Memorandum of Understanding" within the VGIS.

V. DEFINITIONS

Computerized Data: Any information stored on magnetic or optical media requiring a machine to interpret into human readable form.

Electronic products and services: computer-related services and products provided by the center, including:

- (A) Electronic manipulation of the data contained in public records in order to tailor the data to a customer's request, or to develop a product that meets the needs of customers.
- (B) Duplication of public records in alternative formats not used by the center, providing periodic updates of an electronic file or data base, or duplicating an electronic file or data base.
- (C) Provision of on-line access to an electronic file or data base or any form of electronic access to the information system of the center.
- (D) Provision of software developed by or for the center.
- (E) Generating maps, listings, or other standard or customized products from an electronic geographic information system.

Hard Copy: Any textual or graphic information portrayed on paper or mylar materials.

Facilities Rate: A computed hourly rate charged to a customer in order to recover the actual cost of operating mechanical or electronic copying facilities to produce VGIS information products or provide VGIS Services. This rate will include the direct operating cost of the machine or facility, plus a portion of the indirect costs of sustaining and operating it.

Indirect Costs: VCGI costs are subject to an independent audit annually. Certain operating costs are identified as "indirect," in accordance with Office of Management and Budget (Executive Office of the President) Circular A-122, "Cost Principles for Non-profit Organizations."

Labor Rate: A computed hourly rate charged to a customer in order to recover the actual cost of an employee who produces VGIS information products or provides VGIS Services. This rate will include direct costs and indirect costs (as allowed by OMB Circular A-122.)

Media: The physical materials on which written, printed, or electronically encoded information is stored.

Materials: Physical supplies, including paper, film, pens, ink, magnetic or optical storage devices, manuscripts of maps and/or computerized data used in the preparation of products and services.

Service: The labor to gather, capture, process, modify, copy, transfer, convert or in any way prepare computerized or printed data or products.

VGIS Data Catalog: Itemized description of computerized data and software products available in VGIS.