

## Memorandum

**To:** All California Technology Agency Customers  
All Data Processing Managers

**Date:** March 1, 2011

**From:** California Technology Agency

**Subject:** FY 2010/2011 Billing Rate Changes – Mid-Year Rate Package

The California Technology Agency (CaTA), Office of Technology Services (OTech) is implementing new rate changes to be effective March 1, 2011, with the exception of the Service Continuity Mainframe Service, Disaster Recovery rate which will be effective retroactive to December 1, 2010. These rates were approved by the Technology Services Board (TSB) on February 28, 2011. The purpose of the rate changes remains to:

- Bring each service to, or as close to, break-even as possible.
- Bring new technologies to our customers and reduce the OTech and customer costs.

This rate package includes rate adjustments and new service rates in the following service areas:

- Section 1: Mainframe CPU
- Section 2: Open Systems Storage
- Section 3: Statewide E-mail Storage
- Section 4: Customer Owned Equipment Managed Services (COEMS)
- Section 5: California E-mail Services
- Section 6: Courier Services
- Section 7: Services Continuity Mainframe Service (SCMS), Disaster Recovery
- Section 8: Enterprise Project Portfolio Management Service
- Section 9: Federated Data Center

The following is a summary of the key changes of the new rates:

- **Mainframe CPU** – The mainframe system service is hosted on IBM z/Series central processors running z/OS, the IBM operating system for large scale processing applications, and provides access to a range of software products and databases. This service also offers customers high performance, availability, and reliability, as well as a robust, scalable and secure operating environment. The mainframe environment also provides specialty CPU engines running on logical partitions (LPARS) which require fewer resources than the general CPU engines. The OTech currently provides the zAAP (z Application Assist Processor) engine which processes Java and XML applications. The OTech has added a new specialty processor engine, zIIP (z Integrated Information Processor), which will process Java and DB2 Connect jobs. The zIIP specialty engines were put into production in December 2010 and customers are being charged at the existing zAAP rate. Because of the reduced resources associated with these specialty engines, these computing services can be provided at a lower rate. We are reducing the published rates for Mainframe CPU and zAAP processing as well as adding a rate for the zIIP specialty engine.

**New Rates:**

Service	New Rate	Current Rate	Net Change
Mainframe CPU, per normalized hour	\$880	\$950	-7.4%
zAAP CPU, per normalized hour	\$215	\$510	-57.8%
zIIP CPU, per normalized hour	\$215	N/A	NEW

- Open Systems Storage:** The OTech offers secure and reliable open systems storage services. The open systems storage uses the storage area network, rather than a distributed storage system, and includes high availability, efficient, and reliable data backup and restoration functions. The OTech is proposing to re-align the rates for the service delivery by separating the backup and restore functions from the storage components, and charge for the backup and restore components separately. These rates are effective March 1, 2011.

**New Rates:**

Service	New Rate	Current Rate	Change
SAN (Storage Area Network), per gigabyte	\$4.00/month	\$12.00/month	-66%
SATA (Serial Advanced Technology Attachment / NAS (Network Attached Storage), per gigabyte	\$2.00/month	\$8.00/month	-75%
Fixed Content / Archival Storage, per gigabyte	Discontinued	\$6.00/month	N/A
Open Systems Storage, Data Backup, per gigabyte	\$0.40/month	N/A	NEW
Open Systems Storage, Data Restore	\$130/hr	N/A	NEW
Customized Backup Schedule	\$260 per request	N/A	NEW

- Statewide E-mail Storage:** In order to provide a less expensive storage solution for e-mail storage, OTech will migrate from SAN storage to Direct Attached Storage (DAS) for the Statewide E-mail service. The effective rate for this change will be March 1, 2011.

**New Rates**

Service	New Rate	Current Rate	Change
Statewide E-mail Storage, per gigabyte	\$3.50/month	\$12.00/month	-71%

- Customer Owned Equipment Managed Services (COEMS):** The OTech is increasing the COEMS rates to recover the costs of providing the service. A reallocation of the raised floor costs impacted this service significantly to warrant an increase in the current rates. The COEMS offering is in the twilight stage and no new customer equipment will be added. The Change in the COEMS rates will be effective March 1, 2011.

**New Rates:**

Service	New Rate	Current Rate	Change
OTech Owned Cabinet – Full (per cabinet)	\$1,525/month	\$830/month	84%
OTech owned Cabinet - Half	\$750/month	\$415/month	81%
Customer Owned Cabinet (per cabinet)	\$1,400/month	\$720/month	94%
Floor Space Reservation (per cabinet)	\$545/month	\$545/month	0%
Additional pair 309 amp electrical circuits	\$21.60/month	\$21.60/month	0%

- California E-mail Service (CES):** The OTech is adding new rates for additional service components to the CES, a hosted e-mail service. The service provides customers with an alternate service to the Statewide E-mail Service hosted and managed by OTech. The new rates will be effective March 1, 2011.

**New Rates:**

Service	New Rate	Current Rate	Change
CES Vendor Services, per seat	Vendor Pass-through plus 4.44% administrative cost	Vendor Pass-through plus 4.44% administrative cost	No Change
CES Base E-mail OTech Support, per seat	\$0.49/month	\$0.49/month	No Change
CES Collaboration Tools OTech Support, per seat	\$0.49/month	N/A	NEW
CES Legal Archive OTech Support, per seat	\$0.49/month	N/A	NEW
CES Blackberry OTech Support, per seat	\$0.49/month	N/A	NEW
CES Blackberry Server Licenses and Maintenance, per seat	\$3.06/month	N/A	NEW

- **Courier Services Rates:** Due to increases in the managed service vendor pricing, it is necessary for the OTech to increase the rates to recover the cost of the vendor contract, to be effective March 1, 2011.

**New Rates:**

Service	New Rate	Current Rate	Change
Physical customer site pickup/delivery	\$59.30/Drop	\$30.00/Drop	98%
Unscheduled/weekend courier service	\$70.00/Drop	\$70.00/Drop	No Change
Emergency offsite tape retrieval	\$100.00/Drop	\$100.00/Drop	No Change

- **Service Continuity Mainframe Service (SCMS), Disaster Recovery (D/R):** The OTech is providing an in-house D/R service offering which will replace the current D/R service. The customers in the current service offering will continue to be charged based on existing rates until migrated to the new service offering. Once migrated to the new SCMS D/R service, the new rates will apply. The rate methodology is more appropriately aligned to the cost components associated to the new D/R service, retroactive to December 1, 2010.  
To give an example of how the rates below will work, a customer signed up with SCMS D/R, who needs fewer than 500 MIPS for testing will be charged (number of MIPS needed x \$60) plus \$5,000 per month. A customer needing more than 500 MIPS for testing will be charged (500 MIPS x \$60) plus (number of MIPS exceeding 500 x \$75) plus \$5,000 per month.

**New Rates**

Service	New Rate	Current Rate	Change
Disaster Recovery Tape	\$0	\$0.60/Tape/Month	-100%
Mainframe Disaster Recovery Data storage	\$0	\$0.023/MB/Month	-100%
Mainframe Disaster Recovery – CPU Warm-site	\$0	\$34.00/MIPS/Month	-100%
Disaster Recovery – System Tape	\$0	\$0.60/Tape/Month	-100%
Disaster Recovery – Backup Tape	\$0	\$0.025/MB/Month	-100%
Mainframe Disaster Recovery Support	\$5,000 per Month	\$3,970/Month	25%
Tier I – Up to 500 MIPS	\$60 per Month	N/A	NEW
Tier II – Over 500 MIPS	\$75 per Month	N/A	NEW

- **Enterprise Project Portfolio Management Service:** The OTech will offer customers access to the Project Portfolio Management (PPM) system. This service is a vendor hosted and managed service which allows customers to track, sort, and prioritize project related information.

**New Rates:**

Service	New Rate	Current Rate	Change
Project Portfolio Management, per user	\$49/month	N/A	NEW

- **Federated Data Center (FDC):** The OTech is offering secure data center services at our data center location in Rancho Cordova. The FDC will offer customers a viable solution to reduce data center floor space as mandated by AB 2408 and reduce greenhouse emissions.

**New Rates:**

Service Description	New Rate	Current Rate	Change
Tenant Space, per rack	\$7,500/month	N/A	NEW

Overall, this rate package will save OTech customers \$4.4 million for fiscal year 2010/11 and \$13 million for fiscal year 2011/12. Some of the rate reductions take into account projected utilization by new projects that will be hosted at OTech such as the California Child Support Automation System (CCSAS) and 21<sup>st</sup> Century Project (TFC).

If you have any questions regarding these rate changes and the projected impact on your department's OTech invoice, please contact Colleen Field at (916) 431-5483 or [colleen.field@state.ca.gov](mailto:colleen.field@state.ca.gov).

William Liu  
Chief, Financial Management Branch  
California Technology Agency

cc: Melissa Matsuura, CaTA  
Colleen Field, CaTA