

Memorandum

To: All California Department of Technology Customers

Date: November 19, 2014

From: Department of Technology (CalTech)

Subject: FY 2014/2015 Rate Changes

The Department of Technology (CalTech) is implementing rate adjustments and rates for new services for FY 2014/15. The FY 2014/15 rate adjustments and rates for new services were approved by Department of Finance on November 5, 2014. The purpose of these rate adjustments are to:

- Bring each service to, or as close to, break-even as possible.
- Provide new technologies to customers while reducing overall costs.

The list of rate adjustments and new service rates are listed below:

CalTech is eliminating the California Statewide Government Network (CSGNet) Retirement Fee, effective January 1, 2015.

The following rate adjustments are effective January 1, 2015:

- Tenant Managed Services (TMS) Basic/Foreign Connectivity
- Data Center to Data Center (DC to DC) Connectivity
- Network Installs
- Site to Site Virtual Private Network (VPN)
- Dedicated Network Equipment
- Discontinued Network Services

The following new service rates are effective January 1, 2015:

- Virtual AIX Server
- Salesforce Subscription Service
- Vendor Hosted Subscription Services Support Fee

The key changes for the rate adjustments are summarized as follows:

California Statewide Government Network (CSGNet) Retirement Fee

The CSGNet infrastructure service costs have been decreasing as CSGNet circuits are migrated to the California Government Enterprise Network (CGEN). The retirement fee supports the CSGNet infrastructure during the state-wide migration to CGEN. All circuits are expected to be migrated prior to January 1, 2015. As planned, OTech has gradually decommissioned the CSGNet, therefore the retirement fee is no longer needed to support this infrastructure.

Tenant Managed Services (TMS) Basic/Foreign Connectivity

The TMS Basic / Foreign Connectivity service currently uses the CSGNet infrastructure to provide connectivity. As CSGNet is being replaced by the CGEN, this service will be reconfigured to use the CGEN infrastructure for its access to OTech's Internet Service Providers and to all data center services. This change is projected to result in lower cost to provide this connectivity. The new rates for this service are as follows:

Service	Current Rate	January 2015	
		New Rate	Change
56KB Connection, per month	\$405	\$150	-63.0%
T-1 Connection, per month	\$730	\$250	-65.8%
DS3 Connection, per month	\$2,805	\$400	-85.7%
10 MB Connection, per month	\$1,230	\$550	-55.3%
50 MB Connection, per month	N/A	\$800	New
100 MB Connection, per month	\$3,855	\$1,400	-63.7%
500 MB Connection, per month	N/A	\$1,800	New
750 MB Connection, per month	N/A	\$2,200	New
1000 MB Connection, per month	\$5,105	\$2,500	-51.0%

Data Center to Data Center (DC to DC) Connectivity

On January 1, 2014, OTech established the DC to DC Connectivity service to provide connectivity for customer applications and production data between the Rancho Cordova and Vacaville data centers. The DC to DC Connectivity is currently offered in shared bandwidths of 1GB, 5GB or 10GB. The new tiers are offered to better meet the needs of the customers whose bandwidth requirements are different than what is currently offered. OTech will offer rates for additional bandwidth tiers of: 100MB, 500MB and 2GB for shared port connections and a 10GB dedicated connection. Requests for dedicated connections are billed at the 10GB rate regardless if the bandwidth requested is less. The new rates for the additional connectivity tiers are as follows:

Service	Current Rate	January 2015	
		New Rate	Change
100MB Connection, per month	N/A	\$1,000	New
500MB Connection, per month	N/A	\$1,300	New
2GB Connection, per month	N/A	\$2,000	New

		January 2015	
Service	Current Rate	New Rate	Change
10GB Dedicated Connection, per month	\$3,200	\$3,200	No Change

Network Installs

The CGEN Install and Delete Connection services are one-time activities performed by OTech staff. Currently, customers are only charged the one-time vendor installation costs. Rates were established for one-time rates, per connection for the activities performed by OTech staff during circuit installations and/or deletes. The new rates for these services are as follows:

		January 2015	
Service	Current Rate	New Rate	Change
CGEN Install (T1), one-time, per install	N/A	\$1,200	New
CGEN Install (Ethernet), one-time, per install	N/A	\$3,250	New
CGEN Connection Delete, one-time, per delete	N/A	\$500	New
TMS/Foreign - cable install, one-time, per install	N/A	\$350	New

Site to Site Virtual Private Network (VPN)¹

VPNs are used to establish secure, end-to-end private network connections over a public networking infrastructure. The Site to Site VPN service allows our customers to have offices in multiple fixed locations to establish secure connections with each other over a public network such as the Internet. The new rate for this service is:

		January 2015	
Service	Current Rate	New Rate	Change
Site to Site VPN Service, per connection, per month	\$209	\$200	-4.3%

¹ VPN: A virtual private network (VPN) extends a private network across a public network, such as the Internet. It enables a computer to send and receive data across shared or public networks as if it is directly connected to the private network, while benefiting from the functionality, security and management policies of the private network. A VPN is created by establishing a virtual point-to-point connection through the use of dedicated connections, virtual tunneling protocols, or traffic encryptions.

Dedicated Network Equipment

Dedicated Network Equipment is hardware that is owned and supported by OTech for the use of a particular customer. Types of equipment include: switches, routers, metro switches, firewall devices and VPN concentrators. These rates will recover for the Tiered Switches and Tiered Routers, and establishes new billing rates for Metro Ethernet Switches. The new rates for this service are as follows:

Service	Current Rate	January 2015	
		New Rate	Change
Switch – Small, per device, per month	\$147	\$145	-1.4%
Switch – Medium, per device, per month	\$261	\$243	-6.9%
Switch – Large, per device, per month	\$436	\$614	40.8%
Router – Small, 4 hour, per device, per month	\$182	\$144	-20.9%
Router – Small, 2 hour, per device, per month	\$186	\$159	-14.5%
Router – Medium, 4 hour, per device, per month	\$289	\$209	-27.7%
Router – Medium, 2 hour, per device, per month	\$304	\$241	-20.7%
Router – Large, 4 hour, per device, per month	\$503	\$413	-17.9%
Router – Large, 2 hour, per device, per month	\$541	\$486	-10.2%
Metro Ethernet Switch – 1 GB, per device, per month	N/A	\$525	New
Metro Ethernet Switch – 10 GB, per device, per month	N/A	\$1,025	New

2 hour and 4 hour refers to the vendor maintenance response time

Discontinued Network Services Rates

Discontinued Network Services Rates are billing rates which are obsolete because the supported service is decommissioned or is bundled as part of a different service. Services to be decommissioned include AppleTalk² and IPX/SPX³ protocol services which are no longer being used. Rates for services provided as part of a different service include Internet Only, Ethernet⁴ Connection, Encryption Connection and Support Only Connectivity. Ethernet Connection and Encryption Connectivity services will be included in the dedicated equipment rates, accordingly. The rates to be eliminated are as follows:

Service	Current Rate	January 2015	
		New Rate	Change
Internet Only, per MB, per month	\$20	Eliminate	Eliminate
Support Only Connectivity, per connection, per month	\$105	Eliminate	Eliminate
Ethernet Connection, per connection, per month	\$105	Eliminate	Eliminate
Encryption Connectivity, per connection, per month	\$65	Eliminate	Eliminate
AppleTalk, per connection, per month	\$75	Eliminate	Eliminate
IPX/SPX, per connection	\$75	Eliminate	Eliminate

Virtual AIX Server

The Virtual AIX Application Hosting Service provides customers with an alternative hosting platform which uses the latest IBM Virtual I/O Server (VIOS). VIOS is the software that facilitates the sharing of physical I/O resources among client logical partitions within the server. The rate for this service is:

Service	Current Rate	January 2015	
		New Rate	Change
Virtual AIX Server, per virtual server, per month	N/A	\$1,630	New

² AppleTalk is a proprietary suite of networking protocols developed by Apple Inc. for their Macintosh computers. AppleTalk included a number of features that allowed local area networks to be connected with no prior setup or the need for a centralized router or server of any sort.

³ IPX/SPX stands for Internetwork Packet Exchange/Sequenced Packet Exchange. IPX and SPX are networking protocols used primarily on networks using the Novell NetWare operating systems.

⁴ Ethernet is a family of computer networking technologies for local area networks (LANs).

Salesforce Subscription Service

Salesforce, a Customer Relationship Management (CRM) service, is an off-premise, private cloud service. The Salesforce Subscription Service provides a vendor hosted and managed Information Technology (IT) environment. The CRM system allows staff to manage business relationships, the data and information associated with customers. The CRM stores customer and prospect contact information, accounts, leads and business opportunities in one central location. OTech will charge based on the vendor cost plus the OTech costs. If the vendor prices change, OTech will adjust the rates accordingly, taking into account the vendor price plus the OTech support fee. The subscription fee is charged annually for each service. The new rates for this service are as follows:

	January 2015
Salesforce Subscription Service	New Annual Rate
Category 1	
Sales Cloud Enterprise Edition Licenses (CRM -Constituent Management)	\$1,576
Premier Success Plan Enterprise Edition (CRM - Constituent Management) (includes Online Training Modules)	\$237
Premier+ Success Plan Enterprise Edition (CRM - Constituent Management) (includes Online Training Modules)	\$395
Category 2	
Sales Cloud Unlimited Edition License (CRM - Constituent Management)	\$3,153
Premier+ Success Plan Sales Cloud Unlimited Edition (CRM - Constituent Management) (includes Online Training Modules)	\$788
Category 3	
Sales Cloud Performance Edition	\$3,864
Category 4	
Service Cloud Enterprise Edition License (Call Center)	\$1,702
Premier Success Plan Service Cloud (Call Center) (includes Online Training Modules)	\$255
Premier + Success Plan Service Cloud (Call Center) (includes Online Training Modules)Premier + Success Plan Service Cloud (Call Center)	\$425
Category 5	
Service Cloud Unlimited Edition Licenses (Call Center)	\$3,279
Premier+ Success Plan Service Cloud Unlimited Edition (Call Center) (includes Online Training Modules)	\$819
Category 6	
Service Cloud Performance Edition	\$3,864
Category 7	
Force.com (1 Enterprise Application) Enterprise Edition License	\$315
Premier Success Plan Force Product (includes Online Training Modules)	\$47

Salesforce Subscription Service	New Annual Rate
Premier+ Success Plan Force Product (includes Online Training Modules)	\$79
Category 8	
Force.com PXE (Enterprise Apps)	\$2,018
Category 9	
Force.com Enterprise Edition License (supports up to 10 custom built Apps/license)	\$631
Premier Success Plan Force Product (includes Online Training Modules)	\$95
Premier+ Success Plan Force Product (includes Online Training Modules)	\$158
Category 10	
Force.com PXE (App Bundle)	\$1,085
Category 11	
Force.com Unlimited Edition License (supports unlimited # of custom built Apps/license)	\$946
Premier+ Success Plan Force Product (includes Online Training Modules)	\$237
Category 12	
Force.com PXE	\$2,034
Category 13	
Force.com EE (Administrator)	\$1,076
Premier Success	\$161
Premier Success+	\$269
Category 14	
Force.com PXE (Administrator)	\$1,017
Category 15	
Partner Community Members (20 Members)	\$9,490
Partner Community Members Premier Support (20 Members)	\$1,423
Partner Community Members Premier Support+ (20 Members)	\$2,372
Category 16	
Partner Community Members (100 Members)	\$33,892
Partner Community Members Premier Support (100 Members)	\$5,084
Partner Community Members Premier Support+ (100 Members)	\$8,473
Category 17	
Partner Community Members (500 Members)	\$108,454
Partner Community Members Premier Support (500 Members)	\$16,268
Partner Community Members Premier Support+ (500 Members)	\$27,114
Category 20	
Partner Community Logins (200 Logins/Month)	\$33,892
Partner Community Logins Premier Support (200 Logins/Month)	\$5,084
Partner Community Logins Premier Support+ (200 Logins/Month)	\$8,473

Salesforce Subscription Service	New Annual Rate
Category 21	
Partner Community Logins (1,000 Logins/Month)	\$108,454
Partner Community Logins Premier Support (1,000 Logins/Month)	\$16,268
Partner Community Logins Premier Support+ (1,000 Logins/Month)	\$27,114
Category 24	
Customer Community Members (100 Members)	\$6,778
Customer Community Members Premier Support (100 Members)	\$1,017
Customer Community Members Premier+ Support (100 Members)	\$1,695
Category 25	
Customer Community Members (500 Members)	\$13,557
Customer Community Members Premier Support (500 Members)	\$2,034
Customer Community Members Premier+ Support (500 Members)	\$3,389
Category 26	
Customer Community Members (5,000 Members)	\$54,227
Customer Community Members Premier Support (5,000 Members)	\$8,134
Customer Community Members Premier+ Support (5,000 Members)	\$13,557
Category 27	
Customer Community Members (25,000 Members)	\$135,568
Customer Community Members Premier Support (25,000 Members)	\$20,335
Customer Community Members Premier+ Support (25,000 Members)	\$33,892
Category 29	
Customer Community Logins (2,000 Logins/Month)	\$13,557
Customer Community Logins Premier Support (2,000 Logins/Month)	\$2,034
Customer Community Logins Premier+ Support (2,000 Logins/Month)	\$3,389
Category 30	
Customer Community Logins (20,000 Logins/Month)	\$54,227
Customer Community Logins Premier Support (20,000 Logins/Month)	\$8,134
Customer Community Logins Premier+ Support (20,000 Logins/Month)	\$13,557
Category 31	
Customer Community Logins (100,000 Logins/Month)	\$135,568
Customer Community Logins Premier Support (100,000 Logins/Month)	\$20,335
Customer Community Logins Premier+ Support (100,000 Logins/Month)	\$33,892
Category 33	
Marketing Cloud Package Basic	\$67,797
Premier Success Marketing Cloud Package Basic	\$10,170
Premier+ Success Marketing Cloud Package Basic	\$16,949
Category 34	
Site.com Contributor-only (User License)	\$271
Premier Success Site.com	\$41
Premier+ Success Site.com	\$68

Salesforce Subscription Service	New Annual Rate
Category 35	
Site.com Publisher-only (User License)	\$1,695
Premier Success Site.com	\$254
Premier+ Success Site.com	\$424
Category 36	
Site.com Contributor (Feature License)	\$271
Premier Success Site.com	\$41
Premier+ Success Site.com	\$68
Category 37	
Site.com Publisher (Feature License)	\$1,695
Premier Success Site.com	\$254
Premier+ Success Site.com	\$424
Category 38	
Site.com Published Site (price is per site)	\$20,339
Premier Success Site.com	\$3,051
Premier+ Success Site.com	\$5,085

OTech is not offering the Salesforce Categories 18, 19, 22, 23, 28 and 32

Vendor Hosted Subscription Services (VHSS) Support Fee

The VHSS Support Fee (Fee) will recover the cost of providing various IT off-premise cloud VHSS. The components of the VHSS Support Fee include: technical expertise for onboarding customers, technical expertise of the vendor’s environment and accessing the environment, technical problem management, service request management, review and approval, procurement and other administrative activities. The VHSS Fee is charged to the customer as an added percentage to the vendor cost. The rates for this service are as follows:

Service	Current Rate	January 2015	
		New Rate	Change
Vendor Hosted Subscription Service Support Fee	N/A	18.0%	New

Overall, this rate package will save CalTech customers an estimated \$2.5 million at the current workload level for FY 2014/15 and \$5 million for FY 2015/16.

If you have any questions regarding the new rates, please contact Natividad Nevarez at (916) 431-4286 or natividad.nevarez@state.ca.gov.

/s/

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