



Memorandum

To: All California Department of Technology Customers **Date:** January 1, 2016

From: Department of Technology

Subject: RATE CHANGES FOR FISCAL YEAR 2015-2016 AND 2016-2017

The Department of Technology is implementing rate adjustments and rates for new services for Fiscal Year (FY) 2015-2016 and FY 2016-2017. The purpose of these rate changes are to:

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

The following rate adjustments and new service rates with their effective dates are:

Service	Effective Date
California Government Enterprise Network (CGEN) Site Connectivity Changes	January 1, 2016
CGEN Infrastructure	January 1, 2016
CGEN OPTEMAN/OPTEWAN (OEM/OEW) Transport Service	July 1, 2016
Dedicated Firewall/Demilitarized Zone (DMZ)	July 1, 2016
Managed Services in CalCloud	January 1, 2016
Electronic Commerce (E-Commerce) Services	January 1, 2016
Tenant Managed Services (TMS) Basic Network Connectivity	January 1, 2016
ListServ E-mail Distribution	January 1, 2016
Open Systems Storage	January 1, 2016
Windows Application Hosting	July 1, 2016
Mainframe Disk Storage	January 1, 2016
Mainframe Tape Storage	January 1, 2016
Linux Application Hosting	July 1, 2016

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

CGEN Site Connectivity Changes

The CGEN Site Connectivity Changes are one-time activities performed by OTech staff specifically for the completion of upgrading or changing customer connectivity. The rates recover the costs associated with OTech staff in completing the request. The vendor one-time charges for related services are billed as pass-through costs and will continue to be billed separately. The rates for this service are as follows:

			January 2016		
Service Code	Service Description	Billing Metric	Current Rate	New Rate	Change
New	CGEN Connection Bandwidth Change-With Change in Transport Type	One-time, per change	N/A	\$1,500	N/A
New	CGEN Connection Bandwidth Change- Without Change in Transport Type	One-time, per change	N/A	\$650	N/A
New	CGEN Connection Bandwidth Change-Foreign/TMS-B	One-time, per change	N/A	\$350	N/A
New	CGEN Connection Bandwidth Change-Fiber Ring Service	One-time, per change	N/A	\$350	N/A
N626	OTech Connection Install T-1 and below	One-time, per install	\$2,500	\$1,200	-52.0%
N627	OTechConection Install Above T-1	One-time, per install	\$6,000	\$3,250	-45.8%
N604	Site Connection Delete	One-time, per delete	\$1,000	\$500	-50.0%

CGEN Infrastructure

The CGEN Infrastructure, formerly known as the iHub/Internet Access service, provides the statewide network infrastructure that supports the CGEN. This infrastructure includes three interface hubs (iHubs) and the inter-connecting circuits. Each iHub is in a different geographic location and local access transport area (LATA) for redundancy and fault tolerance. One iHub is located in Sacramento, another in the Bay Area and the third in Southern California. OTech is decreasing the billing rates for CGEN Infrastructure. The rate reductions are a result of customers utilizing higher CGEN connection speeds than anticipated, and the reduction of vendor circuit and internet access costs. The rates for this service are as follows:

Service Code	Service Description	Billing Metric	January 2016		
			Current Rate	New Rate	Change
T201	56K CGEN Infrastructure Connection	Per Connection	\$42	\$38	-9.5%
T204	T-1 CGEN Infrastructure Connection	Per Connection	\$105	\$94	-10.5%
T207	2MB CGEN Infrastructure Connection	Per Connection	\$126	\$113	-10.3%
T210	5MB CGEN Infrastructure Connection	Per Connection	\$302	\$271	-10.3%
T213	10MB CGEN Infrastructure Connection	Per Connection	\$588	\$527	-10.4%
T216	20MB CGEN Infrastructure Connection	Per Connection	\$924	\$828	-10.4%
T219	50MB CGEN Infrastructure Connection	Per Connection	\$1,680	\$1,506	-10.4%
T221	100MB CGEN Infrastructure Connection	Per Connection	\$2,520	\$2,259	-10.4%
T224	500MB CGEN Infrastructure Connection	Per Connection	\$3,360	\$3,012	-10.4%
T227	1G CGEN Infrastructure Connection	Per Connection	\$4,200	\$3,766	-10.3%
T230	5G CGEN Infrastructure Connection	Per Connection	\$5,880	\$5,272	-10.3%
T233	10G CGEN Infrastructure Connection	Per Connection	\$6,720	\$6,025	-10.3%

CGEN OEM/OEW Transport Service

The OEM/OEW Transport Service provides the OTech infrastructure that allows transport for all OEM/OEW circuits to connect to both of OTech data centers for resources, email, and the Internet. OTech is proposing to increase the billing rates for OEM/OEW connections. While OTech is increasing these rates, customers have an alternate option to migrate to a newer, and more robust switched ethernet service at a lower cost. OTech supports this migration and is currently in the process of transitioning customers. The rates for this service are as follows:

Service Code	Service Description	Billing Metric	July 2016		
			Current Rate	New Rate	Change
T601	2MB OEM/OEW Port Connection	Per Connection	\$16	\$29	81.3%
T603	4MB OEM/OEW Port Connection	Per Connection	\$32	\$58	81.3%
T605	5MB OEM/OEW Port Connection	Per Connection	\$38	\$68	78.9%
T607	10MB OEM/OEW Port Connection	Per Connection	\$75	\$135	80.0%
T609	20MB OEM/OEW Port Connection	Per Connection	\$117	\$210	79.5%
T611	50MB OEM/OEW Port Connection	Per Connection	\$213	\$383	79.8%
T613	100MB OEM/OEW Port Connection	Per Connection	\$320	\$575	79.7%
T615	500MB OEM/OEW Port Connection	Per Connection	\$427	\$768	79.9%
T617	1G OEM/OEW Port Connection	Per Connection	\$533	\$958	79.7%
T619	5G OEM/OEW Port Connection	Per Connection	\$747	\$1,343	79.8%
T621	10G OEM/OEW Port Connection	Per Connection	\$853	\$1,534	79.8%

Dedicated Firewall/DMZ

A firewall is a set of security rules or a hardware device that is used to filter information coming into or leaving the OTech network by blocking and/or permitting traffic based on configured rules. The firewall enforces secure access between an internal network and Internet, extranet, or intranet links. The firewall/DMZ scales to meet a range of customer requirements and network sizes. OTech is increasing the Dedicated Firewall/DMZ rate, formerly Shared Firewall/Extranet. Hardware and maintenance costs to support this service have increased while utilization of this service has remained fairly constant. The rates for this service are as follows:

Service Code	Service Description	Billing Metric	July 2016		
			Current Rate	New Rate	Change
N606	Dedicated Firewall/DMZ	Per DMZ/Month	\$165	\$215	30.3%

Managed Services in CalCloud

OTech provides managed services in CalCloud IaaS. OTech will provide OS management and patching for AIX, Windows, and Linux servers. OTech managed service is an option to the vendor managed service. The CalCloud IaaS recently added the unmanaged VMs which provide customers the option of managing the servers or subscribing to the OTech managed service. The rates for this service are as follows:

Service Code	Service Description	Billing Metric	January 2016		
			Current Rate	New Rate	Change
New	OTech Windows Support in CalCloud	Virtual Machine /Month	N/A	\$514	N/A
New	OTech Linux Support in CalCloud	Virtual Machine /Month	N/A	\$844	N/A
New	OTech AIX Support in CalCloud	Virtual Machine /Month	N/A	\$785	N/A
New	Windows OS Set-up	One-Time/Virtual Machine	N/A	\$230	N/A
New	Linux OS Set-up	One-Time/Virtual Machine	N/A	\$230	N/A
New	AIX OS Set-up	One-Time/Virtual Machine	N/A	\$460	N/A

E-Commerce Services

The E-Commerce services are designed to provide secure connections for applications and services while optimizing delivery of workload via appliance based hardware and other services. OTech is adding support rates for the following E-Commerce appliances: IBM Security Access Manager (ISAM), IBM DataPower, Tivoli Federated Identity Manager (TFIM) and Oracle WebLogic. The support rates for this service are as follows:

			January 2016		
Service Code	Service Description	Billing Metric	Current Rate	New Rate	Change
New	IBM Security Access Manager Support	Appliance	N/A	\$1,267	N/A
New	IBM DataPower Support	Appliance	N/A	\$1,029	N/A
New	IBM Tivoli Federated Identity Manager Support	Server	N/A	\$1,484	N/A
New	Oracle WebLogic Application Support – Premium	Server	N/A	\$1,484	N/A
New	Oracle WebLogic Application Support – Basic	Server	N/A	\$875	N/A

TMS Basic Foreign Connectivity

The TMS Basic Foreign Connectivity service provides connectivity to the OTech network through an ethernet handoff from customer owned hardware to OTech hardware, which provides access to OTech's Internet Service Providers and to all data center services. OTech is establishing two additional billing rates for TMS Basic Foreign Connectivity. The new tiers are offered to better meet the needs of the customers whose bandwidth requirement is different than what is currently offered. These additional tiers will allow customers the flexibility to subscribe to the bandwidth that meets the needs of customer's TMS Basic / Foreign connectivity. The rates for this service are as follows:

			January 2016		
Service Code	Service Description	Billing Metric	Current Rate	New Rate	Change
New	5G TMS Basic Foreign Connection	Connection, per month	N/A	\$3,500	N/A
New	10G TMS Basic Foreign Connection	Connection, per month	N/A	\$4,750	N/A

ListServ E-mail Distribution

OTech offers e-mail list management services to its customers. ListServ is the e-mail list management software that supports electronic lists including e-mail newsletters, announcement lists, and discussion groups. Utilizing e-mail lists advances the concept of e-mail a step further by disseminating a single message simultaneously to a group of people and simplifies administration of the lists. E-mail list management services are offered on a per list basis. The rates for this service are as follows:

			January 2016		
Service Code	Service Description	Billing Metric	Current Rate	New Rate	Change
I209	ListServ E-mail Distribution	List	\$157	\$75	-52.2%

Open Systems Storage

OTech offers secure and reliable open systems data storage services. The open systems data storage uses the storage area network, rather than a distributed storage system, and includes high availability, efficient, and reliable backup and restoration functions. OTech is decreasing the rates for open systems data storage and increasing the rates for open systems storage data backups to more equitably align the cost of providing each service. The rates for this service are as follows:

			January 2016		
Service Code	Service Description	Billing Metric	Current Rate	New Rate	Change
S208	Storage Area Network (SAN)	GB/Month	\$3.00	\$2.00	-33.3%
S210	Serial Advanced Technology Attachment (SATA)/ Network Attached Storage (NAS)	GB/Month	\$1.50	\$1.00	-33.3%
S216	Open Systems Storage, Data Backups	GB/Month	\$0.30	\$0.50	66.7%

Windows Application Hosting

OTech is increasing the rate for the Windows Application Hosting service on physical servers. In addition, OTech is also adding a server monitoring service, which allows customers to monitor the status and performance of the server and the applications running on the server. OTech Windows Application Hosting service provides customers standardized Windows server and operating system configurations, deployment, management, and administration of Windows based software applications allowing customers access via the Internet or through the OTech network. The rates for this service are as follows:

			January 2016		
Service Code	Service Description	Billing Metric	Current Rate	New Rate	Change
New	Server Monitoring Tool	Customer/Month	N/A	\$150	New
			July 2016		
M101	Tier I Windows Server	Server/Month	\$2,100	\$2,268	8.0%
M102	Tier II Windows Server	Server/Month	\$3,200	\$3,456	8.0%

Mainframe Disk Storage

The z/OS (mainframe) platform offers reliable, high-speed disk storage using Redundant Array of Independent Disks (RAID) technology. OTech provides full-volume and incremental backups on all newly created and updated datasets. The datasets are auto archived and/or expired based on client criteria. OTech is reducing the rates for mainframe disk storage. The rates for this service are as follows:

			January 2016		
Service Code	Service Description	Billing Metric	Current Rate	New Rate	Change
S101	Disk Storage – Shared	GB/Month	\$6.30	\$5.55	-11.9%
S102	Disk Storage - Dedicated	GB/Month	\$6.30	\$5.55	-11.9%
S103	Disk Storage - ADABAS	GB/Month	\$6.30	\$5.55	-11.9%
S107	HSM Level 2 Data Storage	GB/Month	\$3.65	\$3.20	-12.3%

Mainframe Tape Storage

OTech offers data storage on virtual tape with high-speed access at a lower cost. Data stored on virtual tape is automatically backed up to a second copy stored at another Data Center location. OTech is reducing the rates for mainframe tape storage. The rates for this service are as follows:

			January 2016		
Service Code	Service Description	Billing Metric	Current Rate	New Rate	Change
S213	Virtual Tape Storage	GB/Month	\$0.70	\$0.63	-10.0%
S205	Virtual Tape Mount	Mount	\$1.50	\$1.35	-10.0%

Linux Application Hosting

OTech Linux Application Hosting Service provides customers standardized Linux server and operating system (OS) configurations, deployment, management, and administration of Red Hat based software applications allowing customers access via the Internet or through the OTech network. OTech offers physical and virtual server hosting for application hosting customers. OTech is increasing the rates for physical and virtual Linux Application Hosting Service. The rates for this service are as follows:

				July 2016	
Service Code	Service Description	Billing Metric	Current Rate	New Rate	Change
M109	Tier I Linux Server	Server/Month	\$2,100	\$2,730	30.0%
M110	Tier II Linux Server	Server/Month	\$3,200	\$4,160	30.0%
M209	Linux Virtual Server	Server/Month	\$820	\$1,066	30.0%

Overall, this rate package will save OTech customers an estimated \$3.7 million at the current workload level for FY 2015-16 and \$5.8 million for FY 2016-17.

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