



COMMONWEALTH of VIRGINIA

Virginia Information Technologies Agency

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Lemuel C. Stewart, Jr.
CIO of the Commonwealth
Email: cio@vita.virginia.gov

May 7, 2009

Mr. Phillip Leone, Director
Joint Legislative Audit and Review Commission
Suite 1100
General Assembly Building
Richmond, Virginia 23219

Dear Phil:

Attached are rate requests which continue to refine VITA's charge-back schedules approved over the past few years and continue the migration of VITA's charge-back structure towards alignment with Northrop Grumman's charge-back structure to the Commonwealth.

Concurrent with this request, VITA is working with the Department of Planning and Budget to address the impact of these changes. I hope you and the members of the Commission will be pleased to learn that the proposed rates involve reductions in the current level of charges, consolidation of existing charges and reflect improved wireless service offerings and pricing resulting from contract renegotiations we are completing this week.

We request an effective date of July 1, 2009 for all proposed rates contained within this submission with the exception of wireless rates. The proposed wireless rates will be applied as plans are migrated to the new contracts. The migration is beginning immediately making it necessary to apply the new rates accordingly.

We would be pleased to meet with you and your staff to review any of the materials contained in the attached. If you have any questions, please give me a call on (804) 416-6008.

Sincerely,

James T. Roberts
Director of Finance and Administration

Attachment

cc: John McDonald
Ashley Colvin
Lemuel C. Stewart, Jr.
Daniel S. Timberlake

Rates Proposals Overview

VITA requests that JLARC reconsider two server rates postponed from December 2008, and correction of a calculation error in an existing server rate.

In addition, this submission contains two new items: a requested change to the existing rate for Enterprise Backup and Recovery System (EBARS) service, and a new rate for wireless (cellular) phone services.

RESUBMISSION OF RATES FROM DECEMBER 2008

CESC hosted server rates: VITA currently charges 2 separate fees for servers hosted at CESC.

1. Service option 4 rates, which are included in the decentralized services bill, recover the cost of hardware, software, hardware maintenance and software license renewal.
2. Recovery of the remaining costs (OS and DB engineering support, security, capacity planning and facilities) is based on custom support agreements with individual customers for the CESC-sited servers they use. These charges are processed manually via the miscellaneous services bill.

As a result of partnership consolidation and standardization activities, we've determined that the majority of these CESC-sited servers are now receiving a standard (ratable) level of support. For consistency, equity, and billing efficiency, we propose combining the current service option 4 rates with CESC hosting charges. The new rate will continue to be labeled as service option 4 and will continue to be included in the decentralized services bill. The agency impact analysis of this change is provided in the attached spreadsheet. For the few customers with requirements that don't fit the standard model we'll continue to use custom agreements to charge for the incremental hosting services. These customers are DSS and TAX.

Expanded service tiers for decentralized server rates: Decentralized services server rates utilize a tiered structure based on purchase price ranges. Currently the top of the highest range is \$60,000. As the accuracy of data associated with servers has improved, we have noticed servers that cost in excess of \$60,000. Based on our current rates, the replacement of these servers could significantly impede VITA's ability to adequately recover the cost. By extending the current model and calculations VITA has developed 4 additional tiers and associated rates that are proposed to facilitate the full recovery of expenses. These new rates for servers costing more than \$60,000 will only be applied to new acquisitions and will not be applied to existing equipment. To-date, no new acquisitions have occurred; thus there is no customer impact. The proposal to extend the tiered rate structure applies to service options 1, 2, 3 and 4.

Correction of error in existing option 3 server rates: In the process of developing the expanded server rates noted above, we discovered an error in the calculation of the existing

option 3 server rates. To avoid perpetuating the error to the expanded tiers, we have corrected the error and request JLARC approval as part of this submission. The correction to option 3 will result in a minimal increase in charges to the Department of Medical Assistance Services and the Department of General Services which is detailed in the attached agency impact spreadsheet.

RATE CHANGES FOR STORAGE AND EXISTING ENTERPRISE BACKUP AND RECOVERY SYSTEM (EBARS) SERVICES

VITA's current rates for server disk storage, server backup (EBARS), server tape storage and tape vaulting were implemented 5 to 6 years ago. Since then, the cost of storage has decreased while customer use of storage and the other related services has increased. VITA is confident that Northrop Grumman's price for these services, agreed to in the contract approximately 3 years ago, will be reduced as a result. However, the precise amount of reduction and ultimate impact on VITA rates cannot be determined until the rebaselining project has been completed and new prices are presented by Northrop Grumman and accepted by VITA. As an interim step, we believe in the correct direction, VITA requests approval of an across the board rate reduction of 20% to our server disk storage, server backup (EBARS), server tape storage and tape vaulting rates. VITA does not believe that this rate reduction will have an adverse effect upon the balance of its computer services internal service fund. Our current estimates to support this request are presented in an attached spreadsheet, and we anticipate this area will warrant continuing refinement as we move forward.

As originally approved by JLARC some 5 years ago, the intended use of VITA's server disk storage rate was applicable to servers utilizing the shared (SAN) storage located at the central data center (formerly RPB, now CESC). Today, a number of servers located at CESC utilize storage that is directly attached to the server. Direct attached storage is managed by Northrop Grumman in the same manner as shared (SAN) storage located at CESC. For clarity, VITA would like to expand the definition of the server disk storage rate to include storage that is directly attached to servers located at CESC and fully managed by Northrop Grumman.

The definition of VITA's rates for server backup (EBARS), server tape storage and tape vaulting are not impacted as the original intent and practice to-date indicates these rates are clearly applicable to all servers with associated storage (SAN or directly attached) that utilize the EBARS solution.

Once the rebaselining project is complete and sufficient data is available, VITA will conduct an in-depth review of these rates.

NEW RATES FOR WIRELESS (CELLULAR) SERVICE

Wireless (cellular) service rates: VITA has awarded two contracts and is nearing completion of negotiations with three additional wireless (cellular) service providers. The two executed

contracts contain volume discount rebates to VITA, expressed as a percentage against the total vendor bill. The other three have varying structures – discount rebates of different percentages to no rebate whatsoever. We have calculated a necessary uplift of 13.81% to the net vendor charges sufficient to recover the VITA and NG costs that will be incurred in the delivery of this service. We propose a cost recovery model based on a combination of vendor rebate plus VITA surcharge. Since the rebate percentages will vary by vendor, VITA's surcharge must also vary by vendor in order to produce an equitable distribution of recovery amounts to all customers, regardless of the vendor they choose to provide their service. Vendor negotiations are scheduled to be complete by May 08, 2009. The recovery calculations in the attached spreadsheet are based on the current volume of business in total and will be applied as outlined regardless of contract structure.

Additional rates and rate changes for remote servers and servers hosted at CESC

All rates are presented:

those shaded in gray are not being changed

those shaded in tan are being changed

those shaded in green are new

Platform	Purchase range	Avg Purchase	Useful life	Est annual maint.	Support hourly rate	Estimated Monthly support hours	Estimated monthly storage and backup	NG indirect expenses	VITA admin expenses	Calculated Rate	Current Rate Where Applicable
Service Option 1 - Full service											
Windows	<\$2K	\$3,500	60	\$525	\$70.00	5	\$81.55	21%	11%	\$704	\$704
Unix	<\$2K	\$3,500	60	\$525	\$75.00	6	\$95.14	21%	11%	\$854	\$854
Windows	\$2K-\$5K	\$3,500	60	\$525	\$70.00	5	\$81.55	21%	11%	\$704	\$704
Unix	\$2K-\$5K	\$3,500	60	\$525	\$75.00	6	\$95.14	21%	11%	\$854	\$854
Windows	\$5K-\$10K	\$7,500	60	\$1,125	\$70.00	5.5	\$108.73	21%	11%	\$940	\$940
Unix	\$5K-\$10K	\$7,500	60	\$1,125	\$75.00	7.5	\$115.52	21%	11%	\$1,184	\$1,184
Windows	\$10K-\$20K	\$15,000	60	\$2,250	\$70.00	6	\$135.91	21%	11%	\$1,311	\$1,311
Unix	\$10K-\$20K	\$15,000	60	\$2,250	\$75.00	9	\$135.91	21%	11%	\$1,648	\$1,648
Windows	\$20K-\$35K	\$27,500	60	\$4,125	\$70.00	6.5	\$156.30	21%	11%	\$1,866	\$1,866
Unix	\$20K-\$35K	\$27,500	60	\$4,125	\$75.00	10.5	\$156.30	21%	11%	\$2,305	\$2,305
Windows	\$35K-\$60K	\$47,500	60	\$7,125	\$70.00	7	\$176.68	21%	11%	\$2,709	\$2,709
Unix	\$35K-\$60K	\$47,500	60	\$7,125	\$75.00	12	\$176.68	21%	11%	\$3,250	\$3,250
Windows	\$60K-\$90K	\$75,000	60	\$11,250	\$70.00	8	\$203.87	21%	11%	\$3,896	N/A
Unix	\$60K-\$90K	\$75,000	60	\$11,250	\$75.00	15	\$203.87	21%	11%	\$4,642	N/A
Windows	\$90K-\$120K	\$105,000	60	\$15,750	\$70.00	10	\$237.84	21%	11%	\$5,280	N/A
Unix	\$90K-\$120K	\$105,000	60	\$15,750	\$75.00	19	\$237.84	21%	11%	\$6,237	N/A
Windows	\$120K-\$160K	\$140,000	60	\$21,000	\$70.00	13	\$299.00	21%	11%	\$6,986	N/A
Unix	\$120K-\$160K	\$140,000	60	\$21,000	\$75.00	24	\$299.00	21%	11%	\$8,161	N/A
Windows	\$160K-\$240K	\$200,000	60	\$30,000	\$70.00	18	\$407.73	21%	11%	\$9,901	N/A
Unix	\$160K-\$240K	\$200,000	60	\$30,000	\$75.00	30	\$407.73	21%	11%	\$11,208	N/A
Windows	>\$240K	\$200,000	60	\$30,000	\$70.00	18	\$407.73	21%	11%	\$9,901	N/A
Unix	>\$240K	\$200,000	60	\$30,000	\$75.00	30	\$407.73	21%	11%	\$11,208	N/A

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Platform	Purchase range	Avg Purchase	Useful life	Est annual maint.	Support hourly rate	Estimated Monthly support hours	Estimated monthly storage and backup	NG indirect expenses	VITA admin expenses	Calculated Rate	Current Rate Where Applicable
Service Option 2 - Excludes purchase price											
Windows	<\$2K	\$3,500	60	\$525	\$70.00	5	\$81.55	21%	11%	\$641	\$641
Unix	<\$2K	\$3,500	60	\$525	\$75.00	6	\$95.14	21%	11%	\$791	\$791
Windows	\$2K-\$5K	\$3,500	60	\$525	\$70.00	5	\$81.55	21%	11%	\$641	\$641
Unix	\$2K-\$5K	\$3,500	60	\$525	\$75.00	6	\$95.14	21%	11%	\$791	\$791
Windows	\$5K-\$10K	\$7,500	60	\$1,125	\$70.00	5.5	\$108.73	21%	11%	\$804	\$804
Unix	\$5K-\$10K	\$7,500	60	\$1,125	\$75.00	7.5	\$115.52	21%	11%	\$1,048	\$1,048
Windows	\$10K-\$20K	\$15,000	60	\$2,250	\$70.00	6	\$135.91	21%	11%	\$1,039	\$1,039
Unix	\$10K-\$20K	\$15,000	60	\$2,250	\$75.00	9	\$135.91	21%	11%	\$1,376	\$1,376
Windows	\$20K-\$35K	\$27,500	60	\$4,125	\$70.00	6.5	\$156.30	21%	11%	\$1,367	\$1,367
Unix	\$20K-\$35K	\$27,500	60	\$4,125	\$75.00	10.5	\$156.30	21%	11%	\$1,805	\$1,805
Windows	\$35K-\$60K	\$47,500	60	\$7,125	\$70.00	7	\$176.68	21%	11%	\$1,847	\$1,847
Unix	\$35K-\$60K	\$47,500	60	\$7,125	\$75.00	12	\$176.68	21%	11%	\$2,388	\$2,388
Windows	\$60K-\$90K	\$75,000	60	\$11,250	\$70.00	8	\$203.87	21%	11%	\$2,535	N/A
Unix	\$60K-\$90K	\$75,000	60	\$11,250	\$75.00	15	\$203.87	21%	11%	\$3,280	N/A
Windows	\$90K-\$120K	\$105,000	60	\$15,750	\$70.00	10	\$237.84	21%	11%	\$3,375	N/A
Unix	\$90K-\$120K	\$105,000	60	\$15,750	\$75.00	19	\$237.84	21%	11%	\$4,332	N/A
Windows	\$120K-\$160K	\$140,000	60	\$21,000	\$70.00	13	\$299.00	21%	11%	\$4,445	N/A
Unix	\$120K-\$160K	\$140,000	60	\$21,000	\$75.00	24	\$299.00	21%	11%	\$5,620	N/A
Windows	\$160K-\$240K	\$200,000	60	\$30,000	\$70.00	18	\$407.73	21%	11%	\$6,271	N/A
Unix	\$160K-\$240K	\$200,000	60	\$30,000	\$75.00	30	\$407.73	21%	11%	\$7,578	N/A
Windows	>\$240K	\$200,000	60	\$30,000	\$70.00	18	\$407.73	21%	11%	\$6,271	N/A
Unix	>\$240K	\$200,000	60	\$30,000	\$75.00	30	\$407.73	21%	11%	\$7,578	N/A

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Platform	Purchase range	Avg Purchase	Useful life	Est annual maint.	Support hourly rate	Estimated Monthly support hours	Estimated monthly storage and backup	NG indirect expenses	VITA admin expenses	Calculated Rate	Current Rate Where Applicable
Service Option 3 - Excludes direct labor											
Windows	<\$2K	\$3,500	60	\$525	\$70.00	5	\$81.55	21%	11%	\$303	\$291**
Unix	<\$2K	\$3,500	60	\$525	\$75.00	6	\$95.14	21%	11%	\$338	\$338
Windows	\$2K-\$5K	\$3,500	60	\$525	\$70.00	5	\$81.55	21%	11%	\$303	\$291**
Unix	\$2K-\$5K	\$3,500	60	\$525	\$75.00	6	\$95.14	21%	11%	\$338	\$338
Windows	\$5K-\$10K	\$7,500	60	\$1,125	\$70.00	5.5	\$108.73	21%	11%	\$499	\$487**
Unix	\$5K-\$10K	\$7,500	60	\$1,125	\$75.00	7.5	\$115.52	21%	11%	\$539	\$539
Windows	\$10K-\$20K	\$15,000	60	\$2,250	\$70.00	6	\$135.91	21%	11%	\$830	\$817**
Unix	\$10K-\$20K	\$15,000	60	\$2,250	\$75.00	9	\$135.91	21%	11%	\$874	\$874
Windows	\$20K-\$35K	\$27,500	60	\$4,125	\$70.00	6.5	\$156.30	21%	11%	\$1,344	\$1,332**
Unix	\$20K-\$35K	\$27,500	60	\$4,125	\$75.00	10.5	\$156.30	21%	11%	\$1,401	\$1,147**
Windows	\$35K-\$60K	\$47,500	60	\$7,125	\$70.00	7	\$176.68	21%	11%	\$2,147	\$2,135**
Unix	\$35K-\$60K	\$47,500	60	\$7,125	\$75.00	12	\$176.68	21%	11%	\$2,218	\$2,218
Windows	\$60K-\$90K	\$75,000	60	\$11,250	\$70.00	8	\$203.87	21%	11%	\$3,253	N/A
Unix	\$60K-\$90K	\$75,000	60	\$11,250	\$75.00	15	\$203.87	21%	11%	\$3,351	N/A
Windows	\$90K-\$120K	\$105,000	60	\$15,750	\$70.00	10	\$237.84	21%	11%	\$4,478	N/A
Unix	\$90K-\$120K	\$105,000	60	\$15,750	\$75.00	19	\$237.84	21%	11%	\$4,603	N/A
Windows	\$120K-\$160K	\$140,000	60	\$21,000	\$70.00	13	\$299.00	21%	11%	\$5,942	N/A
Unix	\$120K-\$160K	\$140,000	60	\$21,000	\$75.00	24	\$299.00	21%	11%	\$6,096	N/A
Windows	\$160K-\$240K	\$200,000	60	\$30,000	\$70.00	18	\$407.73	21%	11%	\$8,456	N/A
Unix	\$160K-\$240K	\$200,000	60	\$30,000	\$75.00	30	\$407.73	21%	11%	\$8,627	N/A
Windows	>\$240K	\$200,000	60	\$30,000	\$70.00	18	\$407.73	21%	11%	\$8,456	N/A
Unix	>\$240K	\$200,000	60	\$30,000	\$75.00	30	\$407.73	21%	11%	\$8,627	N/A

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Platform	Purchase range	Avg Purchase	Useful life	Est annual maint.	Support hourly rate	Estimated Monthly support hours	Estimated monthly storage and backup	NG indirect expenses	VITA admin expenses	Calculated Rate	Current Rate Where Applicable
Service Option 4 - Hosted at CESC											
Windows	<\$2K	\$3,500	60	\$525	\$70.00	3	N/A	21%	11%	\$424	\$116
Unix	<\$2K	\$3,500	60	\$525	\$75.00	3.5	N/A	21%	11%	\$494	\$116
Windows	\$2K-\$5K	\$3,500	60	\$525	\$70.00	3	N/A	21%	11%	\$424	\$116
Unix	\$2K-\$5K	\$3,500	60	\$525	\$75.00	3.5	N/A	21%	11%	\$494	\$116
Windows	\$5K-\$10K	\$7,500	60	\$1,125	\$70.00	3.5	N/A	21%	11%	\$631	\$249
Unix	\$5K-\$10K	\$7,500	60	\$1,125	\$75.00	5	N/A	21%	11%	\$803	\$249
Windows	\$10K-\$20K	\$15,000	60	\$2,250	\$70.00	4	N/A	21%	11%	\$979	\$498
Unix	\$10K-\$20K	\$15,000	60	\$2,250	\$75.00	6.5	N/A	21%	11%	\$1,253	\$498
Windows	\$20K-\$35K	\$27,500	60	\$4,125	\$70.00	4.5	N/A	21%	11%	\$1,521	\$912
Unix	\$20K-\$35K	\$27,500	60	\$4,125	\$75.00	8	N/A	21%	11%	\$1,897	\$912
Windows	\$35K-\$60K	\$47,500	60	\$7,125	\$70.00	5	N/A	21%	11%	\$2,369	\$1,575
Unix	\$35K-\$60K	\$47,500	60	\$7,125	\$75.00	9.5	N/A	21%	11%	\$2,847	\$1,575
Windows	\$60K-\$90K	\$75,000	60	\$11,250	\$70.00	6	N/A	21%	11%	\$3,540	N/A
Unix	\$60K-\$90K	\$75,000	60	\$11,250	\$75.00	11	N/A	21%	11%	\$4,074	N/A
Windows	\$90K-\$120K	\$105,000	60	\$15,750	\$70.00	7	N/A	21%	11%	\$4,807	N/A
Unix	\$90K-\$120K	\$105,000	60	\$15,750	\$75.00	13	N/A	21%	11%	\$5,447	N/A
Windows	\$120K-\$160K	\$140,000	60	\$21,000	\$70.00	8.5	N/A	21%	11%	\$6,312	N/A
Unix	\$120K-\$160K	\$140,000	60	\$21,000	\$75.00	15	N/A	21%	11%	\$7,012	N/A
Windows	\$160K-\$240K	\$200,000	60	\$30,000	\$70.00	10	N/A	21%	11%	\$8,772	N/A
Unix	\$160K-\$240K	\$200,000	60	\$30,000	\$75.00	18	N/A	21%	11%	\$9,630	N/A
Windows	>\$240K	\$200,000	60	\$30,000	\$70.00	10	N/A	21%	11%	\$8,772	N/A
Unix	>\$240K	\$200,000	60	\$30,000	\$75.00	18	N/A	21%	11%	\$9,630	N/A

* Charges for hosting at CESC were incremental to the old service option 4 rates and are now included in the new option 4 rates

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Platform	Purchase range	Avg Purchase	Useful life	Est annual maint.	Support hourly rate	Estimated Monthly support hours	Estimated monthly storage and backup	NG indirect expenses	VITA admin expenses	Calculated Rate	Current Rate Where Applicable
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** Changes to option 3 rates are due to a mathematical error in the original calculation

Projected monthly Agency impact of service option 3 and service option 4 changes

<u>AGENCY</u>	<u>AGENCY NAME</u>	<u>Total Current Charges</u>	<u>Total New Charges</u>	<u>Monthly Impact</u>
0120 Total	GOVERNOR'S OFFICE & Secretaries (15)	\$10,058.00	\$10,681.00	\$623.00
0122 Total	PLANNING & BUDGET, DEPT OF	\$387.00	\$424.00	\$37.00
0132 Total	ELECTIONS, STATE BOARD OF	\$10,577.00	\$11,094.00	\$517.00
0140 Total	CRIMINAL JUSTICE SERVICES, DEPT OF	\$3,178.00	\$3,372.00	\$194.00
0157 Total	COMPENSATION BOARD	\$1,553.00	\$1,610.00	\$57.00
0161 Total	TAXATION, DEPT OF	\$48,067.00	\$49,493.00	\$1,426.00
0173 Total	CHARITABLE GAMING COMMISSION	\$601.00	\$631.00	\$30.00
0181 Total	LABOR & INDUSTRY, DEPT OF	\$1,102	\$1,125.00	\$23.00
0182 Total	EMPLOYMENT COMMISSION, VA	\$9,789.00	\$10,196.00	\$407.00
0194 Total	GENERAL SERVICES, DEPT OF	\$36,501.00	\$38,664.00	\$2,163.00
0261 Total	VIRGINIA COMMUNITY COLLEGE SYSTEM	\$4,058	\$4,199.00	\$141.00
0301 Total	AGRICULTURE & CONSUMER SVCS, DEPT OF	\$11,132.00	\$11,399.00	\$267.00
0411 Total	FORESTRY, DEPT OF	\$1,803.00	\$1,893.00	\$90.00
0440 Total	ENVIRONMENTAL QUALITY, DEPT OF	\$18,790.00	\$20,559.00	\$1,769.00
0601 Total	HEALTH, DEPT OF	\$4,808.00	\$5,048.00	\$240.00
0602 Total	MEDICAL ASSISTANCE SERVICES, DEPT OF	\$16,294.00	\$16,894.00	\$600.00
0765 Total	SOCIAL SERVICES, DEPT OF	\$4,767.00	\$4,953.00	\$186.00
0777 Total	Department of Juvenile Justice	\$16,726.00	\$17,282.00	\$556.00
0861 Total	Ent. Applications Public / Private Partnership	\$1,202.00	\$1,262.00	\$60.00
0912 Total	Department of Veterans Services	\$2,322.00	\$2,544.00	\$222.00
Grand Total		\$203,715.00	\$213,323.00	\$9,608.00

Agency	Svc Option	Category	Tier	Quantity	Old Rate	Old Rate Charges	Old MOA Charge	Old total	New rate	New total	Impact
0120	04	WINSVR	01	8	\$116	\$928	\$2,168	\$3,096	\$424	\$3,392	\$296
0120	04	WINSVR	03	10	\$249	\$2,490	\$3,520	\$6,010	\$631	\$6,310	\$300
0120	04	WINSVR	04	1	\$498	\$498	\$454	\$952	\$979	\$979	\$27
0122	04	WINSVR	02	1	\$116	\$116	\$271	\$387	\$424	\$424	\$37
0132	04	UNIXSVR	01	2	\$116	\$232	\$770	\$1,002	\$494	\$988	-\$14
0132	04	WINSVR	01	3	\$116	\$348	\$813	\$1,161	\$424	\$1,272	\$111
0132	04	WINSVR	03	14	\$249	\$3,486	\$4,928	\$8,414	\$631	\$8,834	\$420
0140	04	WINSVR	02	2	\$116	\$232	\$542	\$774	\$424	\$848	\$74
0140	04	WINSVR	03	4	\$249	\$996	\$1,408	\$2,404	\$631	\$2,524	\$120
0157	04	WINSVR	03	1	\$249	\$249	\$352	\$601	\$631	\$631	\$30
0157	04	WINSVR	04	1	\$498	\$498	\$454	\$952	\$979	\$979	\$27
0161	04	UNIXSVR	01	13	\$116	\$1,508	\$5,005	\$6,513	\$494	\$6,422	-\$91
0161	04	UNIXSVR	05	7	\$912	\$6,384	\$6,902	\$13,286	\$1,897	\$13,279	-\$7
0161	04	UNIXSVR	07	3	\$1,575	\$4,725	\$3,687	\$8,412	\$2,847	\$8,541	\$129
0161	04	WINSVR	01	24	\$116	\$2,784	\$6,504	\$9,288	\$424	\$10,176	\$888
0161	04	WINSVR	03	16	\$249	\$3,984	\$5,632	\$9,616	\$631	\$10,096	\$480
0161	04	WINSVR	04	1	\$498	\$498	\$454	\$952	\$979	\$979	\$27
0173	04	WINSVR	03	1	\$249	\$249	\$352	\$601	\$631	\$631	\$30
0181	04	UNIXSVR	01	1	\$116	\$116	\$385	\$501	\$494	\$494	-\$7
0181	04	WINSVR	03	1	\$249	\$249	\$352	\$601	\$631	\$631	\$30
0182	04	WINSVR	01	2	\$116	\$232	\$542	\$774	\$424	\$848	\$74
0182	04	WINSVR	03	2	\$249	\$498	\$704	\$1,202	\$631	\$1,262	\$60
0182	04	WINSVR	04	1	\$498	\$498	\$454	\$952	\$979	\$979	\$27
0182	04	WINSVR	06	1	\$1,575	\$1,575	\$712	\$2,287	\$2,369	\$2,369	\$82
0182	04	WINSVR	07	2	\$1,575	\$3,150	\$1,424	\$4,574	\$2,369	\$4,738	\$164
0194	03	UNIXSVR	04	1	\$874	\$874	\$0	\$874	\$874	\$874	\$0
0194	04	WINSVR	01	11	\$116	\$1,276	\$2,981	\$4,257	\$424	\$4,664	\$407
0194	03	WINSVR	02	1	\$291	\$291	\$0	\$291	\$303	\$303	\$12
0194	04	WINSVR	02	16	\$116	\$1,856	\$4,336	\$6,192	\$424	\$6,784	\$592
0194	03	WINSVR	03	4	\$487	\$1,948	\$0	\$1,948	\$499	\$1,996	\$48
0194	04	WINSVR	03	35	\$249	\$8,715	\$12,320	\$21,035	\$631	\$22,085	\$1,050
0194	04	WINSVR	04	2	\$498	\$996	\$908	\$1,904	\$979	\$1,958	\$54
0261	04	WINSVR	03	2	\$249	\$498	\$704	\$1,202	\$631	\$1,262	\$60
0261	04	WINSVR	04	3	\$498	\$1,494	\$1,362	\$2,856	\$979	\$2,937	\$81
0301	04	UNIXSVR	01	4	\$116	\$464	\$1,540	\$2,004	\$494	\$1,976	-\$28
0301	04	UNIXSVR	03	1	\$249	\$249	\$566	\$815	\$803	\$803	-\$12
0301	04	UNIXSVR	04	3	\$498	\$1,494	\$2,307	\$3,801	\$1,253	\$3,759	-\$42
0301	04	WINSVR	01	1	\$116	\$116	\$271	\$387	\$424	\$424	\$37
0301	04	WINSVR	02	6	\$116	\$696	\$1,626	\$2,322	\$424	\$2,544	\$222

0301	04	WINSVR	03	3	\$249	\$747	\$1,056	\$1,803	\$631	\$1,893	\$90
0411	04	WINSVR	03	3	\$249	\$747	\$1,056	\$1,803	\$631	\$1,893	\$90
0440	04	WINSVR	01	45	\$116	\$5,220	\$12,195	\$17,415	\$424	\$19,080	\$1,665
0440	04	WINSVR	02	2	\$116	\$232	\$542	\$774	\$424	\$848	\$74
0440	04	WINSVR	03	1	\$249	\$249	\$352	\$601	\$631	\$631	\$30
0601	04	WINSVR	03	8	\$249	\$1,992	\$2,816	\$4,808	\$631	\$5,048	\$240
0602	03	UNIXSVR	01	1	\$338	\$338	\$0	\$338	\$338	\$338	\$0
0602	03	UNIXSVR	02	3	\$338	\$1,014	\$0	\$1,014	\$338	\$1,014	\$0
0602	03	WINSVR	02	48	\$291	\$13,968	\$0	\$13,968	\$303	\$14,544	\$576
0602	03	WINSVR	03	2	\$487	\$974	\$0	\$974	\$499	\$998	\$24
0765	04	UNIXSVR	03	3	\$249	\$747	\$1,698	\$2,445	\$803	\$2,409	-\$36
0765	04	WINSVR	01	6	\$116	\$696	\$1,626	\$2,322	\$424	\$2,544	\$222
0777	04	UNIXSVR	01	17	\$116	\$1,972	\$6,545	\$8,517	\$494	\$8,398	-\$119
0777	04	WINSVR	01	15	\$116	\$1,740	\$4,065	\$5,805	\$424	\$6,360	\$555
0777	04	WINSVR	03	4	\$249	\$996	\$1,408	\$2,404	\$631	\$2,524	\$120
0861	04	WINSVR	03	2	\$249	\$498	\$704	\$1,202	\$631	\$1,262	\$60
0912	04	WINSVR	01	6	\$116	\$696	\$1,626	\$2,322	\$424	\$2,544	\$222
								\$203,715		\$213,323	\$9,608

Estimated facilities cost for servers hosted at CESC

Annual estimate per server

	<u>Tier 1, 2</u>	<u>Tier 3</u>	<u>Tier 4</u>	<u>Tier 5</u>	<u>Tier 6</u>	<u>Tier 7</u>	<u>Tier 8</u>	<u>Tier 9</u>	<u>Tier 10, 11</u>
HVAC	\$105.71	\$158.56	\$237.84	\$317.12	\$422.83	\$528.54	\$634.24	\$739.95	\$845.66
Floor Space	\$6.55	\$13.09	\$52.36	\$104.73	\$288.00	\$360	\$432	\$504	\$504
Total	\$112.25	\$171.65	\$290.21	\$421.85	\$710.83	\$888.54	\$1,066.24	\$1,243.95	\$1,349.66
Monthly rate amount	\$9.35	\$14.30	\$24.18	\$35.15	\$59.24	\$74.04	\$88.85	\$103.66	\$112.47

The monthly rate amount is included in the server rate calculations for service option 4, shown on the first tab

SERVER Disk, tape backup, tape storage and tape vaulting estimator

Plug in # of gig. Disk storage requirement

	# of Gigabytes	Estimated Charges	Monthly Rates (in Gigabytes)
Disk storage requirement	1	\$2.10	\$2.10
EBARS	7.1	\$3.69	\$0.52
Tape Storage	6	\$1.80	\$0.30
Tape Vaulting	4.2	\$1.09	\$0.26
Estimated Monthly charges		\$8.68	
Estimated Annual charges		\$104.21	

Assumptions:

10% of total storage backed up daily (21 times per month)

100% of total storage backed up weekly

Total of daily backups incur 1 month of storage charge

weekly backups stored for 1 month (5 per month)

70% of tape storage total goes to vault

SERVER Disk, tape backup, tape storage and tape vaulting estimator

Plug in # of gig. Disk storage requirement

	# of Gigabytes	Estimated Charges	Monthly Rates (in Gigabytes)
Disk storage requirement	1	\$1.68	\$1.68
EBARS	7.1	\$2.98	\$0.42
Tape Storage	6	\$1.44	\$0.24
Tape Vaulting	4.2	\$0.88	\$0.21
Estimated Monthly charges		\$6.98	
Estimated Annual charges		\$83.81	

Assumptions:

10% of total storage backed up daily (21 times per month)

100% of total storage backed up weekly

Total of daily backups incur 1 month of storage charge

weekly backups stored for 1 month (5 per month)

70% of tape storage total goes to vault

Wireless Service (cellular) Cost Recovery Calculation

	Fixed expense and VITA administrative expense allocations															Total annual expense (recovery target)
	Desktop Tower mngt fee	Network Tower mngt fee - NG	Network Tower mngt fee - non-NG	Voice Tower mngt fee - NG	Voice Tower mngt fee - non-NG	Security Tower mngt fee	Help Desk Tower mngt fee	Internal Apps mngt fee	Microsoft fees for PC's and Servers	Acct mngt for Computer Services	Acct. Mngt & Admin - NG	Acct. mngt. & Admin. - non-NG	CESC and SWESC Facilities	VITA Facilities	VITA admin	
Annual expenses to allocate to all VITA billable services ----->	2,374,179	6,673,622	1,668,406	6,248,002	694,222	2,954,784	2,463,929	960,744	12,042,276	2,029,872	16,082,710	846,458	3,912,270	2,852,658	21,481,224	

Service Description	Unit	Rate	Quantity	Extension
Wireless Service (cell phones)	Plan	many	many	
	Overage	many	many	
	Other	many	many	

Estimated total vendor charges for service plans, overage and other features combined \$6,600,000

Estimated allocation of NG fixed fees and VITA administrative expenses based on estimated total vendor charges

Percentage of each allocation amount based on estimated total vendor charges							\$95,945	\$27,636			\$87,625		\$82,058	\$617,921	\$7,511,185
Total uplift to net vendor charges to recover indirect expenses allocated as shown *							1.45%	0.42%			1.33%		1.24%	9.36%	13.81%

13.81%

Note: most fixed fees from NG are not applicable to this service

* Net vendor charges are based on total vendor charge minus the vendor rebate

Varying vendor rebate amounts	Yields	Varying methods of achieving total cost recovery
1 - The vendor rebate exceeds the necessary uplift		The customer bill will be reduced by the amount in excess of 13.81%
2 - The vendor rebate equals the necessary uplift		The customer bill will equal the vendor bill
3 - The vendor rebate is less than the necessary uplift		The difference between the rebate amount and 13.81% will be applied to the customer bill as a surcharge
4 - There is no vendor rebate		The surcharge applied to the customer bill will be 13.81%

Proposed Reduction to Server Storage Rates

VITA specific current rates		Proposed reduction	Proposed VITA rates
Disk storage	\$0.00210 per megabyte	20%	\$0.00168
Backup (EBARS)	\$0.00052 per megabyte	20%	\$0.00042
Tape storage	\$0.00030 per megabyte	20%	\$0.00024
Tape vaulting	\$0.00026 per megabyte	20%	\$0.00021

Proposed Rate reduction - supporting information

Current NG disk storage rate fully burdened based on contracted baseline information (NG uses a single rate to recover their cost of disk storage, backup, tape storage and vaulting)	\$0.00715 per megabyte
* Current VITA aggregate rate combining separate charges for disk storage, backup, tape storage and vaulting	\$0.00868 per megabyte
Aggregate rate difference in dollars	\$0.00153 per megabyte
Aggregate rate difference percentage	17.6%
Necessary rate reduction by NG to support VITA's requested 20% reduction	2.4%
* VITA aggregate rate resulting from proposed specific rates	\$0.00698 per megabyte
Estimated volume of disk storage utilization from original baseline	104 terabytes
Current estimated volume of disk storage utilization once re-baselining is complete	200+ terabytes

NOTE: 1 terabyte = 1,000,000 megabytes

* The VITA aggregate rate is not an actual rate but is used to provide a means of estimating the total of all charges based on the amount of disk storage used. It is not the result of adding the 4 separate rates together.