

The left side of the slide features a vertical strip showing a close-up, high-angle view of the facade of a classical building, likely the state capitol. The image highlights the repetitive architectural details of the facade, such as the square panels and decorative elements.

Department of Technology Services Rates and Market Analysis

Capital Facilities and Government
Operations Appropriations
Subcommittee

Agenda

1. D T S R a t e O v e r v i e w
3. M a r k e t A n a l y s i s O v e r v i e w
5. M a r k e t A n a l y s i s o f S p e c i f i c
R a t e s
7. C u s t o m e r S a t i s f a c t i o n S u r v e y

D T S O v e r v i e w

- D T S charges rates to user agencies to cover the costs of provided services
- Unlike Private Sector companies D T S does not make a profit
- D T S is allowed by Fed. regulation to retain a 45 day working capital balance

| | Actual 2004 | Actual 2005 | Actual 2006 | Actual 2007 | Approp. 2008 | Approp. 2009 |
|--------------------------|-------------------|-------------------|-------------------|---------------------|---------------------|--------------------|
| Revenues | | | | | | |
| Enterprise/ ITS | 48,262,100 | 49,857,200 | 48,912,600 | 47,736,200 | 50,056,000 | 110,045,000 |
| Agency Services | - | - | 1,871,700 | 76,396,300* | 109,284,000* | 6,987,700 |
| | 48,262,100 | 49,857,200 | 50,784,300 | 124,132,500* | 159,340,000* | 117,032,700 |
| Expenditures | | | | | | |
| Enterprise/ ITS | 48,540,100 | 48,143,800 | 45,223,700 | 50,968,400 | 52,666,500 | 110,045,000 |
| Agency Services | | | 1,871,700 | 76,866,100* | 109,284,000* | 6,987,700 |
| | 48,540,100 | 48,143,800 | 47,095,400 | 127,834,500* | 161,950,500* | 117,032,700 |
| Profit/ (Loss) | (278,000) | 1,713,400 | 3,688,900 | (3,702,000) | (2,610,500) | 0 |
| Retained Earnings | 5,453,400 | 7,166,800 | 10,855,800 | 7,153,800 | 4,543,300 | 4,543,300 |

* FY07 and FY08 Agency Services numbers include agency pass-through for IT equipment

Agency Services Rate Variance

- In FY07 and FY08 Agency rates were based on personnel and were set a year in advance
- Of the \$1,019,010 overcharged to the five agencies, \$334,077 must be rebated to the Feds.
- \$900,000 is requested to come from Enterprise Tech. (same line item)

| | |
|----------------------------|---------------------|
| Total Rate | \$95,225,771 |
| Charged Total Actual Costs | <u>\$95,797,881</u> |
| Over/ (Under) Chg | (\$572,110) |

| | |
|----------------------|----------------------|
| 5 Agencies Over | \$1,019,010 |
| Chg 6 Agencies Under | <u>(\$1,591,120)</u> |
| Over/ (Under) Chg | (\$572,110) |

| | |
|-----------------------|--------------------|
| Under | (\$572,110) |
| Charge Rebate to Feds | <u>(\$334,077)</u> |
| Total Deficit | (\$906,187) |

Market Analysis

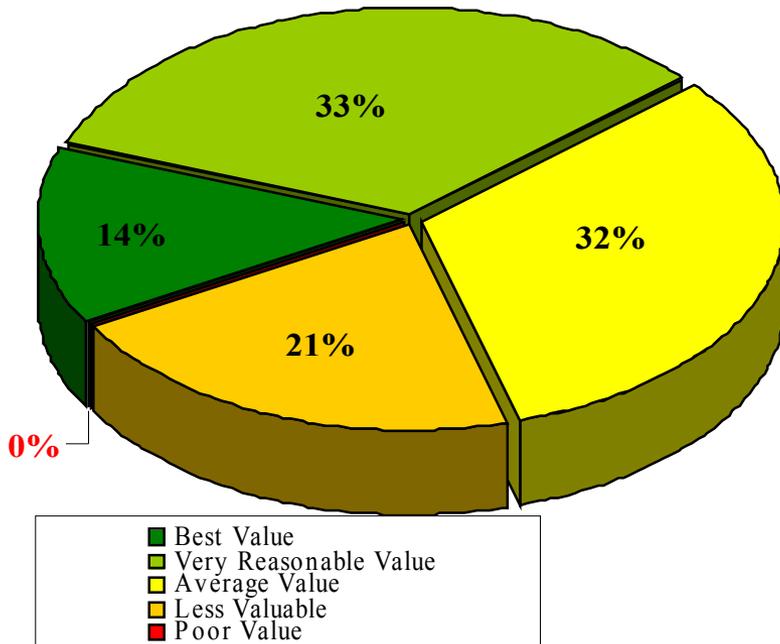
- H.B. 109 (2005 G.S.) established DTS
 - Requires DTS to compare its rates to public and private sector providers
- DTS contracted with SAIC, tech. consulting, for rate analysis – July 2007
 - Compared Utah to 17 states in all four geographic regions with various populations
 - Compared Utah to 3 private sector firms
 - Presented industry benchmarks
- Contract for second study due July '08

Market Analysis – Challenges

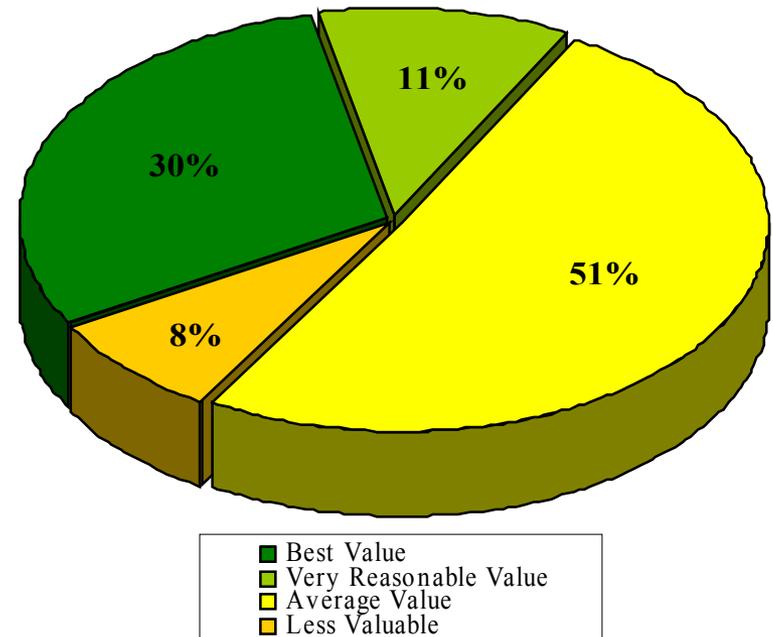
- Private Sector info. (internal costs) not readily available
 - Hence 3 private sector to 17 public sector entities
- Rate definitions not standard among entities
 - Some aspects of the services may/may not be included in other similar products
- Not all entities provided a comparable service
 - Hence the statistics (max, min, median) might only compare three or four entities to Utah

Rate Analysis Summary Results

SAIC Valuation of DTS Rates



Ratings by Total Revenue



D T S R a t e C a t e g o r i e s



D e s k t o p M a n a g e m e n t



W i d e A r e a N e t w o r k



A N)



H o s t i n g S e r v i c e s



D a t a b a s e S e r v i c e s



M a i n f r a m e C o m p u t i n g



S t o r a g e S e r v i c e s



T e l e c o m m u n i c a t i o n s



W i r e l e s s S e r v i c e s



P r i n t S e r v i c e s

L a b o r a n d T r a i n i n g



Desktop Management

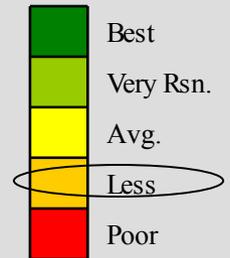
Description

- Troubleshooting, installation, and configuration of Desktop
- Operating System upgrades and support
- Customer support for operational issues
- In FY08 includes LAN Mgt (In FY09 goes to WAN rate)
 - Management of wiring closet (cables, routers, switches, hubs)
 - Wiring from wiring closet to jack to desktop

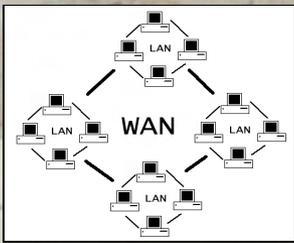
Rate Comparison

- **Less Valuable** rating
FY08

- High - \$101
- Median - \$72
- Low - \$18.30
- DTS* - \$80



- * DTS reorganized its rate structure for FY09 to include a service desk and Desktop Mgt for \$60



Wide Area Network (WAN)

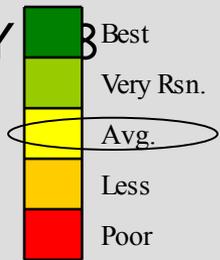
Description

- Connects facilities in geographic locations
- Fault tolerant with redundant paths
- Internet access and content filtering
- IP address management
- Email services – secure access, content filter, etc.

Rate

Comparison

- **Average** rating FY 2008
- High – \$41
- Median – \$33.50
- Low – \$19
- DTS* – \$40.50



- * FY 2009 rates increased to \$45 but include LAN



Hosting Services

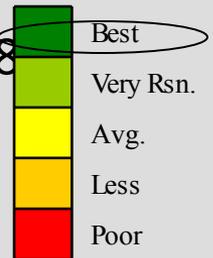
Description

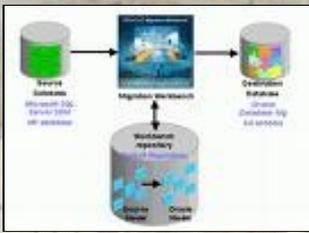
- Data Center Rack Space
- Server Management
 - Maintenance and Support of Server Operating System and
 - Web server and application server maintenance
- Application Hosting on DTS Equipment
- Shared “Open Source” Application

Rate

Comparison

- Server Mgt - **Best Value** rating FY08
- High - \$856
- Median - \$312
- Low - \$90
- DTS - \$275





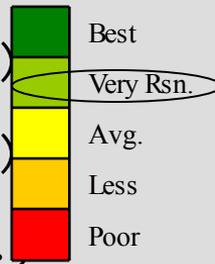
Database Services

Description

- Database Hosting
 - Support, Software Upgrades, Diagnostics and monitoring
 - Security and Backup/Recovery
 - MS SQL and Oracle
- Initial load testing and database tuning
- Database Consulting

Rate Comparison

- Shared SQL - **Very Reasonable** rating FY08
- High - \$700 (unlim t.)
- Median - \$205 (unlim t.)
- Low - \$200 (unlim t.)
- DTS - \$175 (4GB)





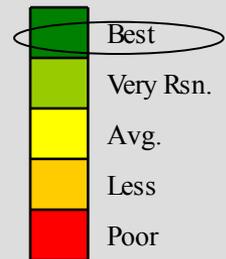
Mainframe Computing

Description

- Physically secure with reliable power and 24/7 monitoring
- Mainframe Management
- Two tape backup/restore tape environments in SLC and Richfield data centers (see Storage Services)

Rate Comparison

- **Best Value** rating FY08
- High - \$1.13
- Median - \$0.26
- Low - \$0.09
- DTS - Subscription





Storage Services

Description

- Open System Storage
- Backup/Restore Services
- Mainframe Disk Storage
- Mainframe Tape
- Qualified Dedicated Storage
- Secure with reliable power
- 24x7 monitoring
- Redundant Storage

Rate Comparison

- Ratings from Best to Less Valuable

| | Hig | Med | Low | DT | Ratin |
|------------------|------|-------|------|------|-----------------------|
| Backup | .050 | .0041 | .001 | .001 | Best |
| Open Sys | .007 | .0035 | .001 | .001 | Very |
| Main. | .100 | .0235 | .007 | .023 | R _s Avg |
| Disk Main.Tap | .003 | .0025 | .000 | .003 | Less VI |

- DTS revised rates for FY09

| | Old | New | % Δ |
|------------------|------|------|------|
| Backup | .001 | .000 | -50 |
| Open Sys | .001 | .000 | %-60 |
| Main. | .023 | .007 | %-70 |
| Disk Main.Tap | .003 | .001 | %-53 |

e 2 5 %



Telecommunications

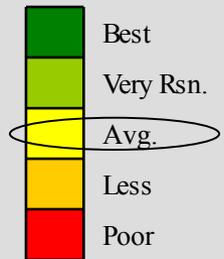
Description

- Basic Phone
 - TTY, hold, call waiting, caller ID, last call return, call forwarding
 - Direct Inward Dial (DID)
- Voice Mail
- Long Distance
- Video Conferencing
- Call Management System
 - Collects data for monitoring and performance of call centers

Rate Comparison

- **Average** rating FY08 – Basic Phone

- High - \$39.50
- Median - \$17.50
- Low - \$10.90
- DTS* - \$26.00



- * DTS reduced the rate for FY09 to \$24.50
- * Also reduced labor rates



Wireless Services

Description

- Communication Sites for Microwave and Radio
 - Mountain Top Towers
 - Rack space at sites
- Microwave Circuit Maintenance and Labor
- State Radio Repeater System (Public Safety)
- Vehicle Equip. Installation (Public Safety Vehicles)

Rate Comparison

- Not compared by SAIC



Print Services

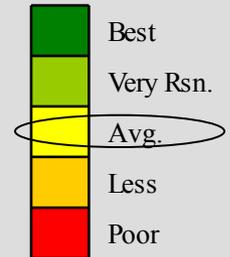
Description

- Laser Printing (black and white)
 - High Volume network and mainframe
 - Variety of output options
- Form Design (Checks, Deposit Slips, W-4, etc)
- Enhancements
 - Combine documents
 - Add bar codes
- Verify Addresses / Zip codes
- Automated Production Control

Rate Comparison

- **Average** rating FY08

- High - \$0.122
- Median - \$0.039
- Low - \$0.006
- DTS - \$0.033





Labor and Training

Description

- Application Development and Maintenance
- Web Development
- Graphic Design
- Systems Engineering
- Acceptance Testing
- Online Training
- Office Automation Training

Rate Comparison

- Not compared by SAIC
- * Starting in FY09 DTS will no longer provide training services and will refer customers to private sector vendors

Rate Analysis Conclusion

- About half of DTS rates are above average
- Most rates below average have been adjusted for FY09
- SAIC has another report due within the next month

