



Oregon State Data Center (SDC)

Frequently Asked Questions SDC Service Rates

A. Services

1. **What services are PROVIDED by the SDC?**
SDC's five major service areas include computing (mainframe, midrange and distributed systems), network (with enhanced security), storage and voice.
2. **What services are NOT PROVIDED by the SDC?**
The SDC does not provide application development services, application support, desktop services, or remote 'touch' support.
3. **Have rates been determined for all SDC services?**
Yes. [Rates \(pdf\)](#) have been developed for each of the service areas.
4. **How is a 'new' service defined?**
"New services" are services the SDC does not currently provide for any customer. Before the SDC offers a "new service," the service requires analysis to ensure it is appropriate for the SDC to deliver and to determine funding. If the service is not new to the SDC but is new to a customer, it is not considered a new service.
5. **How do customers obtain services, whether new or currently provided to other customers? Example:**
Agency wants backup disaster recovery services and a storage solution for hosting applications.
If the service is available to all SDC customers, the customer may contact an account manager for help obtaining the additional service and determining the price.
6. **How does a customer obtain additional capacity?**
The SDC works with the customer to architect a solution based on customer requirements for capacity, performance, and availability. If the solution requires additional hardware or software, then costs will be evaluated and pricing will be provided.

The SDC is funded by its customers and does not receive additional funds. So, to ask the SDC to pay for a service not provided is to ask all the other customers to pay for it. Additionally, when an out-of- scope service is requested because the agency does not have resources, all other agencies technically pay for that customer's added service.

SDC Service Catalog Questions? Sean McMullen: (503) 373-1724

B. Rates

7. **What are the SDC service rates?**
Service [rates \(pdf\)](#), approved by the SDC Governing Board December 3, 2007, include: charges for computing systems (mainframe, midrange and distributed) and services (network, storage, and voice).
8. **How are service rates charged? What is the rate methodology?**
The rate methodology is set forth in the materials provided at the Governing Board meeting on December 3, 2007.
9. **What factors affect the costs and charges for SDC Services?**

Many factors affect the costs and charges for SDC Services. Initial costs and charges were estimated based on data provided by the CINIC agencies and consulting firms. Actual operating costs exceeded those estimates. As the SDC was created, some additional requirements were identified. The solutions met state needs as a whole and included additional costs. Examples include: securing the network, upgrading the mainframes, obtaining new servers, implementing encryption, and consolidating the network. All equipment and activities at the SDC influence the cost of services. Where possible, service charges are based only on the activities and equipment that support the individual service. Because the SDC is a consolidated system, equipment and activities do not always correlate to only one service.

10. ***Do all customers pay the cost of the SDC operations?***
Yes. Costs are spread across all customers who use a service; SDC funding comes from customer-paid rates.
11. ***What is the SDC growth rate and how is it determined?***
Agencies project growth in the various service areas. If no data is provided, the SDC looks at available history. If no history exists, projections are made based on industry standards.
12. ***How does a customer purchase additional capacity now (2007-08)?***
If the SDC needs to purchase hardware to fulfill an agency request that is outside the SDC's plan for growth and replacement, then that agency will need to fund the purchase.
13. ***Why did the cost of some software increase when the mainframe size was increased?***
Some software vendors base the cost of specific mainframe software on the MIPS (millions of instructions per second) capacity or on the size of the entire box or mainframe. When the SDC increased the size of the mainframe to accommodate increases in capacity demand by customers, some software running on the mainframe was affected.
14. ***How are the charges for distributed systems servers determined?***
Although some of the boxes are more powerful than others and some have more capacity than others, the cost to maintain and operate each box is very similar. Therefore, the Governing Board decided to use a fixed rate for server capacity at this time. Agencies pay for all of the server capacity that they have available to them, no matter what the use is (test, development, or no use), through June 30, 2008. The number of servers associated with the agency on October 31, 2007 establishes the base amount of server capacity for each agency for this year.
15. ***Is the CPU rate for a test environment different than the CPU rate for a production environment?***
No.
16. ***When does the billing for a test environment start on a new server?***
When the test environment is deemed ready for use and the agency is notified.
17. ***How can a customer reduce their service costs right now?***
Customers are billed only for the services they use, based on their use of those services. With the exception of distributed systems, customers who reduce their use of a service will see a reduction in their charges. Distributed systems charges are fixed for the rest of this fiscal year based on the capacity available to the customer on October 31, 2007.
18. ***Is there a rate reduction when a customer decommissions old servers (on-site or remotely)?***
The cost recovery model to fund the SDC budget is set. To create a fair and equitable interim solution for 2007-08, rates for distributed systems were:
 - 1) based on the number of servers owned by each agency as of October 31 and
 - 2) made retroactive to July 1.
19. ***Are there any circumstances under which a customer can obtain a discount or refund?***
Discounts and refunds are not a part of the current rate structure. Rates have been set for 2007-08 by the SDC Governing board. The Governing Board will monitor the rates through this fiscal year and make any adjustments that are needed. The Governing Board will adopt new rates for 2008-09 in the fall of 2008.
20. ***How can customers contribute to rate reductions and savings?***

Looking into the future, there are several opportunities for the customer to help achieve savings. For example, agencies can:

- pursue aggressive application migration to the new environment;
- decommission servers where possible; and
- implement training and awareness programs to support management and control their individual storage needs. The annual storage growth rate is anticipated to exceed 40%, so controlling storage practices will help control costs. While the SDC understands growing business demands in areas such as scanning, facial recognition and geographic information systems, agencies can develop retention and access rules to manage storage costs.

21. ***When will customers begin to see service rates decline?***

There are many variables that affect the rates for SDC services. Service rates are predicted to decline as the current debt service is paid off after next biennium, 2012, and as standardization, consolidation and efficiencies grow. The more customers work with the SDC, the more rates will decline.

Rate Approval and Funding

22. ***When were SDC service rates approved?***

The current service rates were approved at the December 3, 2007 Governing Board meeting. Service rates were retroactively applied for services provided on and after July 1, 2007. The rates were communicated to customers in December of 2007.

23. ***Who sets SDC service rates?***

The [SDC Governing Board \(pdf\)](#) approves rates. Convening in 2004, this 11-member agency director board has overseen the development and implementation of the data center initiative since its inception. The SDC Finance Committee develops the rate methodology and recommends rates and rate changes to the Governing Board. The Finance Committee is a special sub-committee of the board established in 2006. The Committee monitors the SDC budget and rate structure. This subcommittee consists of several employees of DAS divisions and several state agency customers from the eleven agencies represented on the board.

24. ***How is the SDC funded?***

The SDC is funded through its service rates and through charges for pass-through expenses. The SDC does NOT receive general, federal or lottery funds. To fund the initial consolidation, the state used Certificates of Participation (COPs). (Note: The state must follow federal requirements under OMB Circular A-87 as IT products are procured). COPs are a form of a loan that is paid back over five years. The debt service must be generated by the SDC through its rates to customers.

25. ***Who adopts the SDC budget?***

The budget is prepared by DAS and the SDC and adopted by the State Legislature. The Governing Board, Finance Committee and CIO Advisory Council are all involved in the process before the Agency Request Budget is submitted.

26. ***How are SDC budget exceptions handled?***

Exceptions to the budget are typically handled through Policy Option Packages (POPs) and are coordinated with DAS Operations Division. As with all agencies, POPs are then processed through DAS Budget and Management. As these processes proceed, reports are brought before the SDC Governing Board.

27. ***While capacity use data is gathered to address rates, how do customers forecast their budgets?***

The Finance Committee attempts to project the total costs for agency customers based on current usage and rate information. These projections become more precise as the SDC develops more historical information.

Service Rate Questions? Peter Lundberg, DAS Operations: (503) 378.2347, Ext.385
Jack Guzman, DAS Operations: (503) 378.2350, Ext 303

C. Billing

28. **How are SDC customers billed?**

SDC customers receive up to three bills throughout a month; two are manual (paper) and the third is available via the internet. Each bill includes: administrative overhead for operations, project management, service desk and infrastructure support.

- Network and Voice are two separate bills that are mailed together.
- Computing and Storage is the electronic bill available online, and it includes: mainframe processing, midrange server cost, distributed server cost, and storage.

29. **How can customers predict costs to create budget forecasts and contingencies (e.g., if the numbers are 80% accurate should agencies plan for a 20% contingency?)**

Estimates of rate impacts on each agency's 2009-11 budgets will be published in the BAM price list. As estimates are refined, budgets will be adjusted through the BAM analyst recommendation phase and during the legislative process. Policy decisions on how to make any necessary budget adjustments will be made by BAM and the Legislative Fiscal Office.

30. **How can customers get the bill sub-divided?**

DAS realizes the importance of separating costs via sections so the customer can manage areas of their business. It is understood that the current electronic billing system does not reflect this. Once stabilized this biennium, DAS Operations expects to address this need.

31. **What is CIMS?**

CIMS is the [online billing system](#) that the SDC uses for computer services, which includes: mainframe processing, midrange server cost, distributed server cost, and storage.

32. **How do I obtain a user id and password for CIMS?**

Send a request via [e-mail](mailto:sdc-billing@state.or.us) to sdc-billing@state.or.us.

33. **If I forgot my CIMS password, how do I get it reset?**

Send a request via [e-mail](mailto:sdc-billing@state.or.us) to sdc-billing@state.or.us.

34. **Where can I get a copy of a past due CIMS invoice?**

All current and past invoices are available online. Log in to CIMS, go to Reports→Run Reports→Payable Invoice. Select the correct month and year of the past due invoice and click on "ok."

35. **Where can I get a copy of a past due Network/Voice Services invoice?**

Copies of these invoices are kept on microfiche. Send a request to sdc-billing@state.or.us. Due to the different sizes of invoices, please allow 1-3 business days for the return.

36. **Where can I send inquiries about Network/Voice Services invoices?**

Send all requests to sdc-billing@state.or.us.

Billing Questions? SDC Billing Hotline: (503) 378-6926

For other questions related to policy and practice, please contact:

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