



**Office of Information
Technology Services**

Rated Services and Billing Structure

FY 2022-2023

October 5, 2022

Overview

FY 2023 Total ITS Cost Base (\$850 million)

- **Rated Services (\$718 million)** – Billed across 5 rated service categories including labor, end user services, infrastructure, telecommunications, and platform services. Includes prior year reconciliation.
- **Non-Rated Billed Services (\$84 million)** – Includes costs that are not billed to client agencies through a rated service. Costs include Agency-Specific Procurements and Direct Bill agreements for non-rated services.
- **Other Services (\$48 million)** – This category includes costs recovered through the Journal Voucher process, and costs allocated through the Statewide Cost Allocation Plan (SWCAP). Costs include technologies still under development, but not ready for an agency chargeback. This also includes costs associated with excess capacity for newer services and are not yet fully recovered by ITS.

Annual Change Overview

Annual “Look-Back”

- In FY 2022, the total ITS Billed Cost was \$738.4 million. In FY 2023, the Rate model anticipates a total of \$802.5 million, which is an increase of \$64 million or 8.7 percent.

Service Area (\$ millions)	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Change	
	Actuals	Actuals	Actuals	Projection	\$	%
End User Services	\$185.4	\$178.6	\$167.9	\$189.4	\$21.6	12.9%
Infrastructure Services	\$102.4	\$107.5	\$98.7	\$110.5	\$11.8	12.0%
Labor Services	\$355.8	\$348.4	\$253.7	\$272.6	\$19.0	7.5%
Platform Services	\$50.1	\$49.2	\$49.1	\$55.5	\$6.3	12.9%
Telecom Services	\$100.6	\$97.4	\$86.5	\$90.3	\$3.8	4.4%
Non-Rated Services	\$44.8	\$56.6	\$82.6	\$84.2	\$1.6	1.9%
Total	\$839.1	\$837.7	\$738.4	\$802.5	\$64.0	8.7%

Reconciliation

In addition to the FY 2023 Rate Development, ITS, in conjunction with Public Consulting Group, completed a prior year reconciliation effort to address under and over billings from prior years. The reconciliation effort is especially important for federal cost allocation purposes.

Federal regulations (2 CFR Part 225 Appendix C) require States to reconcile central cost-allocated services and make adjustments for any identified variances between actual revenue and allowable costs.

As a result of the prior year reconciliation, ITS reduced FY 2021 client agency billing by a combined \$40 million, or 5.4 percent. This results in reduced FY 2023 rates to “reimburse” agencies for these costs. Although the reconciliation has a small net impact on agency billings, it is allocated through the rate model as an adjustment to the FY23 rate card. The rate that is reflected in agency bills includes the reconciliation.

Significant Change Drivers

- Lower reconciliation value from prior year
- ITS charged initiatives (both PS/NPS) to CARES Act, this is no longer available and increasing costs
- Increased costs related to State Labor raises and hourly costs for consultants
- Spending increases in areas that support all aspects of the agency (“overhead”), such as added security costs

New Bill Types

- Website Hosting and Maintenance change – Different rates for the different technologies used
- Fixed Point Managed File Transfer – New memo billed service; service has existed, but funds were unrecovered in prior years
- Video Conferencing – Previously included in End User rates but now broken out to better reflect actual usage
- Data Analytics and Visualization – New rates for growing Tableau service

Rated Service Categories

Service Category	Description
End User Services	Basic hardware, software, tools, and services that allow employees to perform their day-to-day job.
Infrastructure Services	Includes the core infrastructure - facilities, compute, storage, and network services - required to deliver technology automation.
Labor Services	State and contractor staffing resources to manage and develop business applications.
Platform Services	Includes the application infrastructure that enables business-facing applications and services. Includes website hosting and maintenance.
Telecom Services	Modern VoIP technology that supports employees in their daily operations. Includes Internet and Network services that securely connects workstations and network devices to critical applications hosted in State data centers.
Non-Rated Services	Includes cost-based services such as Agency Specific Procurements, Cloud Services, Premium Software, and Revenue Contracts.

End User Services

Significant Change Drivers

- **Kiosk User** – Prior year rate included significant reconciliation, artificially lowering the rate
- **Fixed User** – Increased projected spending and reduction in CARES Act associated costs

End User Services	FY 21-22	FY 22-23	Utilization Units
Client Computing Services			
Kiosk User	\$70.08	\$119.47	License/Month
Fixed User	\$124.49	\$136.42	License/Month
Fixed User (no equip replacement)	\$112.99	\$117.96	License/Month
O365 (Standalone)	\$22.06	\$24.77	License/Month
Citrix XenApp	\$20.21	\$52.29	Concurrent User/Month
Mobile Device Services			
Cell Phone	\$23.21	\$22.55	Device/Month
Smartphone	\$46.06	\$43.49	Device/Month
Tablet with Data Plan	\$39.86	\$34.04	Device/Month
Aircard / MiFi	\$42.21	\$39.20	Device/Month
Transportation-related connectivity device (Machine to Machine)	Vendor charge	Vendor charge	Vendor Charge/Month

Infrastructure Services

Significant Change Drivers

- **Storage** – Rates significantly decreased due to over recoveries in prior years. ITS will adjust billing metrics to tenths of a decimal to smooth year over year recoveries.
- **Physical Servers** - Significant true-up last year caused the rate to be cheaper than virtual servers. The true-up is no longer as significant and the number is closer to actual spending.
- **Mainframe** – Unisys 2200 replacement approval process took longer than anticipated during the FY 19-20 rate setting process and was further delayed due to purchasing freezes during COVID, driving reconciliation changes. Rate is closer to pre-COVID years.

Infrastructure Services	FY 21-22	FY 22-23	Utilization Units
Storage			
Block Storage	\$0.25	\$0.066	Gigabyte/Month
IBM Mainframe Block	\$1.36	\$0.698	Gigabyte/Month
IBM Mainframe Virtual Tape	\$0.36	\$0.131	Gigabyte/Month
File/Object Storage	\$0.19	\$0.017	Gigabyte/Month
Servers			
P-Series LPAR			
Small P-Series LPAR (2 - 16 GB)	\$830.62	\$1,196.51	Gigabyte RAM/Month
Medium P-Series LPAR (16 - 32 GB)	\$1,661.23	\$2,393.01	Gigabyte RAM/Month
Large P-Series LPAR (32 - 64 GB)	\$3,322.46	\$4,786.03	Gigabyte RAM/Month
X-Large P-Series LPAR (64+ GB)	\$6,644.93	\$9,572.05	Gigabyte RAM/Month
x86 Physical			
Small x86 Physical (2 - 4 GB)	\$100.95	\$203.48	Gigabyte RAM/Month
Medium x86 Physical (4 - 8 GB)	\$201.91	\$406.95	Gigabyte RAM/Month
Large x86 Physical (8 - 16 GB)	\$403.82	\$813.90	Gigabyte RAM/Month
X-Large x86 Physical (16 - 32 GB)	\$807.63	\$1,627.81	Gigabyte RAM/Month
2X-Large x86 Physical (32 - 64 GB)	\$1,615.27	\$3,255.61	Gigabyte RAM/Month
3X-Large x86 Physical (64+ GB)	\$3,230.53	\$6,511.23	Gigabyte RAM/Month
x86 Virtual			
Small x86 Virtual (2 - 4 GB)	\$108.61	\$107.88	Gigabyte RAM/Month
Medium x86 Virtual (4 - 8 GB)	\$217.23	\$215.76	Gigabyte RAM/Month
Large x86 Virtual (8 - 16 GB)	\$434.45	\$431.52	Gigabyte RAM/Month
X-Large x86 Virtual (16 - 32 GB)	\$868.91	\$863.04	Gigabyte RAM/Month
2X-Large x86 Virtual (32 - 64 GB)	\$1,737.81	\$1,726.09	Gigabyte RAM/Month
3X-Large x86 Virtual (64+ GB)	\$3,475.62	\$3,452.18	Gigabyte RAM/Month
Unix SPARC	\$610.90	\$1,431.24	Server/Month
Unix HP/UX	\$2,119.38	\$4,279.79	Server/Month
Mainframe			
IBM CPU	\$0.0167	\$0.0309	CPU Second/Month
IBM CMOD Support	\$2,510.33	\$2,694.48	Monthly Charge
Unisys 2200	\$226.91	\$322.33	MIP/Month
Unisys Series A	\$80,262.53	\$109,053.05	Monthly Charge
Centralized Print			
Print	\$0.0257	\$0.0319	Image/Month

Labor Services

Significant Change Drivers

- **Contract Labor** – Change made in rate model this year to more appropriately include management/administrative costs that were previously only included in the State Labor rate.
- **State Labor** – Salary increases due to retro raises is primary driver. This rate is reduced by COVID reconciliation and may increase next year.

Labor Services	FY 21-22	FY 22-23	Utilization Units
Contract Labor			
Business Analyst	\$80.57	\$110.06	Labor Hour/Month
Programmer	\$79.84	\$106.27	Labor Hour/Month
Software Architect	\$94.14	\$120.43	Labor Hour/Month
Specialist	\$84.56	\$115.66	Labor Hour/Month
Technical Architect	\$94.64	\$122.55	Labor Hour/Month
Tester	\$63.72	\$94.70	Labor Hour/Month
Vendor-Specific Contract Labor	Various	Various	Labor Hour/Month
State Labor	\$107.29	\$117.98	Labor Hour/Month
Project Manager	\$106.39	\$112.48	Labor Hour/Month

Platform Services

Significant Change Drivers

- **Oracle** – Significant true-up changes due to greater than projected spending on Oracle contracts.
- **Fixed Point Managed File Transfer** – New service previously unrecovered due to prior data limitations.
- **ECM** - Tier added due to a few agencies using significantly more than others.
- **Website Hosting and Maintenance** – Rate further broken out to reflect spending and usage based on different available technologies.

Platform Services	FY 21-22	FY 22-23	Utilization Units
Database Services			
Oracle	\$884.17	\$1,361.16	DB Instance/Month
SQL Server	\$565.93	\$339.37	DB Instance/Month
DB2 Linux/UNIX/Windows	\$3,162.26	\$2,193.68	DB Instance/Month
Application Services			
Fixed Point Managed File Transfer	N/A	\$37.68	Gigabyte/Month
Website Hosting and Maintenance - Turnkey	\$0.0086	\$0.0120	Page View/Month
Website Hosting and Maintenance - Custom	\$0.0086	\$0.0079	Page View/Month
Website Hosting and Maintenance - Legacy	\$0.0086	\$0.0143	Page View/Month
Enterprise Content Management (ECM)			
ECM Small (0-10 GB)	\$3,868.85	\$1,948.57	Content Repository/Month
ECM Medium (10-50 GB)	\$19,344.27	\$9,742.85	Content Repository/Month
ECM Large (50-100 GB)	\$38,688.54	\$19,485.71	Content Repository/Month
ECM X-Large (100+ GB)	N/A	\$38,971.42	Content Repository/Month
Integration Services			
SOA Akana	-\$0.0065	\$0.1650	Time in Akana (1k ms)/Month
Miscellaneous			
eFax	\$0.39	\$0.33	Fax/Month

Telecom Services

Significant Change Drivers

- **PBX** – Rate reduced significantly in FY 21-22 due to prior year reconciliation.
- **WAN** – Increase in FY 22-23 rates are a result of flat spending, reduced circuit utilization, and artificially depressed billing in the prior year due to the reconciliation. ITS will memo bill the under recoveries from April-September to alleviate mid-year impact.

Telcom Services	FY 21-22	FY 22-23	Utilization Units
Voice Services			
VoIP	\$14.60	\$14.23	Line/Month
PBX (at State Office Buildings)	\$17.07	\$62.32	Line/Month
Centrex (Verizon)	\$53.43	\$52.27	Line/Month
Vendor Lines Pass-Through	\$30.58	\$25.28	Line/Month
Video Conferencing	N/A	\$242.72	Device/Month
Internet Services			
Wide Area Network (WAN)	Various within PINNACLE	Various within PINNACLE	Various Units
Broadband (CKT Circuits)	Various within PINNACLE	Various within PINNACLE	Various Units
Network Services			
Local Area Network (LAN)	\$25.59	\$20.23	Device/Month

Contact Information and Rate Card

Additional Questions? Contact ITS Finance at:

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Rate Card:

The FY 2023 rate card will be available at the following link prior to bill release: <https://its.ny.gov/service-rates>

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