



# Fiscal Year 2019 Data Center Services Consolidation Measurement Report

Texas Department of Information Resources

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## Executive Summary

### Data Center Services Program Background

As the state's information technology (IT) agency, the Texas Department of Information Resources (DIR) provides customers with IT products and services as well as policy, planning, and guidance that help shape consistent and effective use of technology across Texas. In 2005, the 79th Legislature passed House Bill 1516 directing DIR to consolidate agencies' IT infrastructure to reduce statewide costs for IT services, modernize aging state infrastructure, and increase overall security and disaster recovery capability. The goal of the legislation was to reduce taxpayer costs by consolidating and standardizing IT infrastructure, products, and services across agencies with large IT investments. Additionally, the State sought to reduce disaster recovery risks, security risks, and critical state data and system assets backup risks, and to stay current with IT best practices.

In 2006, 29 state agencies were selected to participate in the data center consolidation. DIR released a request for offer to outsource the management of these agencies' IT infrastructure, while consolidating more than 31 disparate, legacy data centers into two highly secure, redundant data centers in Austin and San Angelo. With designated agency participation, DIR entered into a seven-year contract in 2007 to operate the Data Center Services (DCS) Program. In 2010, DIR re-procured and re-structured DCS into a service integration model with multiple Service Component Providers (SCP) and a Multi-Sourcing Services Integrator (MSI) that positioned the state to achieve more flexibility, accountability, and functionality.

DIR continues to provide customers additional services through expanded DCS offerings. In 2016, the DCS program met its consolidation goals, with mainframe, print-mail, and service desk services fully consolidated. In 2017, DIR executed two optional Managed Application Services contracts, one for application development and maintenance and a second for application services-rate card. These contracts allow customers to reinvest infrastructure consolidation savings to continue modernizing legacy applications. In 2018, DIR executed a Managed Security Services contract to provide customers with access to security monitoring and device management, incident response, and risk and compliance services. In 2019, DIR executed two contracts to support Texas.Gov services, one for application development and maintenance and one for payment processing. Additionally, DIR executed a digital MSI model further enhancing the capabilities of the program. Together these contracts expanded the DCS program to the Shared Technology Services program.

The DCS Program is open to all Texas state agencies, institutions of higher education, and local governmental entities. DCS services include mainframe, server, bulk print-mail, disaster recovery, backup, monitoring, security, storage, production control, data center network, architecture design, capacity management, operating system support, database support, middleware support, hardware refresh, software currency, and facilities. The program currently invoices 84 state and local entities including 24 designated state agencies with fully managed mainframe, server, and bulk print-mail services meaning that DIR, through its service provider vendors, provide the hardware, software, tools, and technical staff to fully support IT infrastructure. This report excludes voluntary customers that contract with DIR but are not currently being invoiced.

As Texas experiences rapid population and economic growth, state governmental entities must deliver more constituent services with greater efficiency. As a result, the state is progressively investing in IT to accomplish many goals. These goals include improving business operations support, pursuing cost efficiencies, providing secure and innovative ways for Texans to interact with the State, enhancing the digital experience of government services, and supporting open data initiatives to improve transparency. As governments are challenged to do more with less, the ability to outsource and optimize infrastructure and IT services becomes increasingly necessary to achieve economies of scale. The DCS Program provides a strong foundation for an ever-growing and enhanced set of IT services by enabling government entities to meet these demands.

### Consolidation Measurement Report

In 2013, the 83rd Legislature amended Texas Government Code, Section 2054.062<sup>1</sup> to require DIR to measure and report on the financial performance and progress of the data center consolidation effort DIR is tasked with:

- Developing a method of measuring costs for the DCS consolidation initiative.
- Developing a method for collecting and validating data to determine a baseline assessment of costs.
- Evaluating costs and cost savings for consolidation based on the methodology.
- Coordinating assessment with DIR's internal auditor for guidance.
- Developing a method of measuring progress for DCS consolidation initiative.
- Evaluating progress for consolidation initiative.
- Reporting annually to primary stakeholders.
- Posting consolidation reports on the DIR website.

In 2014, DIR contracted with a third party to develop the cost measurement methodology and worked collaboratively with DCS customer representatives to review and refine the proposed methodology. The initial DCS Consolidation Report was published on February 27, 2015. The initial report methodology, as agreed upon by DCS customers, is used in this report and provides multiple views of the DCS program financial performance for Fiscal Year (FY) 2019.

This consolidation measurement report provides analysis and insight into the following DCS program elements:

1. Baseline Assessment of Financial Performance
  - A comparison of appropriated DCS spending versus actual customer spending.
  - Total customer spending by service category.
2. FY 2019 Unit Rate impact Analysis.
  - Rate analysis based on volume fluctuations and total extended charges.
3. Transition and Transformation Investments.

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<sup>1</sup> The full reference of the Texas Government Code can be located via the link [Texas Government Code Chapter 2054.062](https://www.statutes.legis.state.tx.us/Docs/GV/htm/GV.2054.htm) or [www.statutes.legis.state.tx.us/Docs/GV/htm/GV.2054.htm](http://www.statutes.legis.state.tx.us/Docs/GV/htm/GV.2054.htm)

- A financial summary of one-time investments required to transition services and transform and consolidate the legacy IT environment.
4. DCS Infrastructure Consolidation Progress.
- Current status of infrastructure consolidation initiatives.
  - Description of DCS program accomplishments.

## Baseline Assessment of Financial Performance

### Program Performance

The DCS program is highly complex and has experienced dynamic growth resulting from services changes and expansion, as well as strategic investments that support the ongoing consolidation effort. The following section provides insight into program costs in FY 2019.

The 32 agencies (24 designated and eight voluntary) exceeded the amounts the Legislature appropriated for the DCS program by \$18.6 million (reflected in Table 1 below).

*Table 1. FY 2019 Appropriations for DCS Agencies Versus Actual Spending*

	Original DCS Appropriation*	Actual - DCS Infrastructure Services	Actual – Managed Application Services	Actual - Managed Security Services	Variance
<b>FY 2019</b>	\$252,019,356	\$257,038,227	\$13,303,422	\$265,386	<b>(\$18,587,679)</b>

*\*Note: Appropriated amounts reflect the original DCS Services Capital Budget appropriations, plus Texas.gov, and do not include subsequent transfers.*

FY 2019 DCS appropriations were approximately \$252.0 million, while actual expenditures totaled approximately \$270.6 million. DCS appropriation transfers are not captured in this analysis. Individual DCS customer analyses are presented in Appendix C.

The following services comprised the majority of DCS customer spending for FY 2019:

- **Mainframe Services:** compute processing and storage services for applications hosted on mainframes.
- **Print-Mail Services:** bulk printing and mailing services, courier services, paper, and envelopes.
- **Server Services:** consolidated private cloud and non-consolidated virtual and physical compute processing for DCS customer applications.
- **Server Storage and Tape Services:** data storage and backup services for the consolidated and non-consolidated servers.
- **Managed Application Services:** application maintenance, application development, and hourly rate card services.

- **Managed Security Services:** security monitoring and device management, incident response, and risk and compliance services.
- **Server Hardware and Software:** hardware service charges for dedicated and shared server compute processing, software service charges for specific third-party software categories procured for DCS customers, and rate card hours for service provider-supplied project personnel resources provided on an hourly basis.
- **Transition and Transformation Milestones:** transition services associated with moving from one outsourced environment to another outsourced environment, including knowledge transfer, process documentation, and wall-to-wall inventory. Transformation services related to upgrading and consolidating the IT-operating environment.
- **Cross-functional, Project and Facilities:** SCP cross-functional, project management, and data center facility costs.
- **MSI Services:** SCP integration and management, providing functions such as the portal, service desk support, application portfolio and hosting, service level and capacity monitoring, financial management, major incident management, training, process and quality management, outreach, and growth.
- **Other Services:** includes enterprise cloud offerings, passthrough costs and co-location services.

Table 2 shows the actual FY 2019 expenditures per service.

*Table. 2 Enterprise Billing Categories*

Service Categories	FY 2019 Actual Spending
Mainframe Services	\$31,113,956
Print-Mail Services	\$14,103,251
Server Services	\$64,539,008
Server Storage and Tape Services	\$25,254,378
Managed Application Services	\$13,303,422
Managed Security Services	\$265,386
Server Hardware and Software	\$61,374,574
Transition and Transformation Services	\$17,116,489
Public Cloud	\$5,503,664
Cross-functional, Project and Facilities	\$21,321,468
MSI Services	\$15,796,907
Other	\$914,532
<b>TOTAL:</b>	<b>\$270,607,035</b>
<b>FY 2019 INITIAL APPROPRIATION*:</b>	<b>\$252,019,356</b>
<b>VARIANCE:</b>	<b>(\$18,587,679)</b>

\*Note: Appropriated amounts reflect the original DCS Services Capital Budget appropriations, plus Tx.gov, and do not include subsequent transfers.

In addition to the 24 agencies that are required to participate in the data center as part of the state’s consolidation initiative, all Texas state agencies, colleges, and universities can voluntarily use DCS services. In 2013, the 83rd Legislature passed Senate Bill 866 which authorized DIR to offer data center services to local government entities. These services include managed Infrastructure as a Service (IaaS) which entails mainframe, private cloud and public cloud servers, bulk print and mail, disaster recovery, backup, monitoring, security, storage, production control, data center network, architecture design, capacity management, operating system support, database support, middleware support, hardware refresh, software currency, Microsoft O365, imagery, and facilities as well as Managed Application and Security Services.

Table 3 reflects DCS spending for the 52 voluntary agencies and local government agencies participating in the DCS program.

*Table 3. FY 2019 Actual Spending for DCS Voluntary Customers*

Type	Number	Amount
<b>Voluntary Agencies without DCS Budget Appropriation</b>	9	\$2,989,374
<b>Self-Directed and Semi-Independent Agencies</b>	5	\$101,047
<b>Higher Education: Colleges and Universities</b>	4	\$52,272
<b>Local Government Entities</b>	34	\$325,311
<b>TOTAL:</b>	<b>52</b>	<b>\$3,468,004</b>

## Fiscal Year 2019 Unit Rate Analysis

The pricing methodology DIR structured with the DCS service providers is a consumption-based, variable-price model common in the marketplace for outsourced services. The structure provides the state with the flexibility to pay for services consumed with no fixed price minimum – converting a traditionally capital-intensive infrastructure to a variable-based operating expense.

One of the benefits of a consumption-based pricing model is the economy of scale related to increased consumption that results in decreasing unit rates. In FY 2019, the Mainframe and Bulk Print-Mail model remained structured using a fixed fee, or base charge, for fixed volumes of service called the resource baseline, with fee variations for volumes above or below the resource baseline threshold. The base charge includes both fixed and variable charges required to support the resource baseline volume, while the variable charges reflect only the marginal cost to provide or reduce an incremental unit of service. Because of the marginal unit cost being lower than the imputed base rate, additional volumes of service create a lower overall unit rate for that service category, called Additional Resource Charges (ARC). In reverse, a reduction in consumption creates a higher overall unit rate as the fixed cost is spread across a lower volume base, called Reduced Resource Credits (RRC).

In FY 2018, with the conversion to Hybrid Cloud Services (HCS), server and server storage resource units were largely converted to a tiered-pricing structure in response to customer requests for fewer month-to-month rate fluctuations from the ARC/RRC model. Each of the ten tiers includes a fixed price range for a defined volume range. For this analysis, the Tier 6 pricing range was used to compare with actual expenditures to determine savings. As the state anticipates increased consumption of DCS services year-over-year, a consumption-based pricing model should be advantageous to the participating customers.

Table 4 below shows the variance between consumption at the 2019 base rates and the actual invoiced consumption. The contracted base cost represents the forecasted amount that the program and customers are contractually obligated to pay for base volumes and is the baseline for measuring cost savings. See Appendix A for a complete description of the unit rate analysis methodology.

*Table 4. Summary by Resource Unit Group*

Rate-Based Billing Categories (Included)	Contracted Base Cost	Actual Cost	Variance
Mainframe Services	\$29,487,472	\$29,234,215	\$253,258
Print-Mail Services	9,313,222	9,974,115	(660,893)
Server Services	33,020,289	33,892,946	(872,657)
Server Storage & Tape Services	14,223,281	14,058,362	164,919
Multi-Sourcing Integrator Services (MSI)	16,297,906	15,796,907	501,000
<b>Total:</b>	<b>\$102,342,170</b>	<b>\$102,956,544</b>	<b>(\$614,374)</b>

The above summary demonstrates FY 2019 variability across the DCS program with an unfavorable outcome. Analysis of each service follows:

- **Mainframe**
  - Overall mainframe services consumption was slightly higher and actual expenditures were slightly lower than the forecasted amounts, resulting in a favorable variance. Favorable variances were found in all resource units: mainframe hours, Direct Attached Storage Device (DASD), Virtual Tape Storage (VTS) and Specialty engine consumption.
- **Print-Mail**
  - Print-Mail volumes resulted in an overall unfavorable variance, primarily due to print consumption trending significantly lower than the base volumes. Additionally, courier services consumption decreased.
- **Server Services**
  - Server Services volumes were generally lower than the forecast volumes, causing the rates to fall into the less-discounted tiers with the most significant unfavorable variance found in Remote Server Break Fix.
- **Server Storage and Tape Services**



- Overall Server Storage and Tape consumption was slightly higher and actual expenditures were slightly lower than the forecast, resulting in a favorable variance.
- **MSI Charges**
  - MSI Charges resulted in a favorable variance largely as a result of lower variable charges applied to DCS spending than was anticipated.

A more detailed description of the unit rate analysis methodology is included in Appendix A. The Detailed Unit Rate Analysis is documented in Appendix B and the individual DCS customer analyses are documented in Appendix C.

NOTE: To facilitate a technology upgrade, the DCS program instituted a freeze on Enterprise Tape fluctuations in January 2015; the four Resource Unit Categories below remained frozen throughout FY 2019 and were invoiced under the Enterprise Tape Resource Unit based on an agreed amount.

- Consolidated Tape Stored
- Consolidated Tape Written
- Non-Consolidated Tape Other
- Non-Consolidated Tape Stored

In January 2015, DIR worked with the service provider to implement an Enterprise Tape/Backup freeze and cost reduction, resulting in an estimated reduction of \$2.52 million annually. Effective September 1, 2016, the Enterprise Tape/Backup amount was further reduced by \$1.38 million annually, which eliminated the full \$3.9 million unfavorable variance noted in the DCS pricing benchmark completed in April 2016. This reduced, fixed monthly backup charge continued through FY 2019 and is anticipated to remain in place until the Enterprise Tape/Backup Resource Units are re-priced, and volumes adjusted following completion of the migration to the new backup technology.

## Transition and Transformation

In addition to the consumption-based charges that compensate the DCS service providers for day-to-day delivery of IT services, there are also separate transition and transformation (T&T) charges for certain activities and investments that will occur during the first 48 months of the DCS Master Services Agreement.

The Transition and Transformation phase is summarized into four initiatives:

- 1. Transition.** The takeover of services from the incumbent service provider with minimal impact on the performance of the operations. Includes knowledge transfer and documentation, as well as the implementation of service management tools and processes to facilitate a smooth transition when the new service providers take over the operations.
- 2. Stabilization.** Includes remediating the environment, addressing assets needing immediate refresh, implementing a new backup and recovery solution, and completing a comprehensive inventory.
- 3. Consolidation.** The multi-year effort to complete the migration of servers (and related storage and backup environments) from legacy data centers and agency business offices into consolidated data centers.

4. **Optimization.** Ongoing improvements to the environment that will benefit the state by reducing costs and improving services.

The cost of these activities totals \$75.78 million, which the state pays upon successful completion of defined milestones from monies collected from state agencies for DCS program fees.

*Table 5. Transition and Transformation Charges (In Millions)*

Milestone	Total Milestone Charge Paid Over Term	Accepted Total Paid Over Term	Invoiced through August 2019	Accepted Paid Over Term T&T Liability	Non-Accepted Paid Over Term T&T Liability
Server	\$19.04	\$19.04	\$19.04	(\$0.00)	\$0.00
Data Center	\$2.02	\$2.02	\$2.02	(\$0.00)	\$0.00
Network	\$4.97	\$4.97	\$4.97	(\$0.00)	\$0.00
Hybrid Cloud	\$35.48	\$35.48	\$28.93	\$6.55	\$0.00
Mainframe	\$6.78	\$6.78	\$5.93	\$0.85	\$0.00
MSI Milestones	\$7.32	\$6.91	\$6.91	\$0.00	\$0.41
Xerox Print Mail	\$0.16	\$0.16	\$0.16	\$0.00	\$0.00
<b>TOTAL:</b>	<b>\$75.78</b>	<b>\$75.37</b>	<b>\$67.97</b>	<b>\$7.40</b>	<b>\$0.41</b>

## DCS Infrastructure Consolidation Progress

### Consolidation Status

Since its inception in 2007, the DCS program has met many of its objectives including:

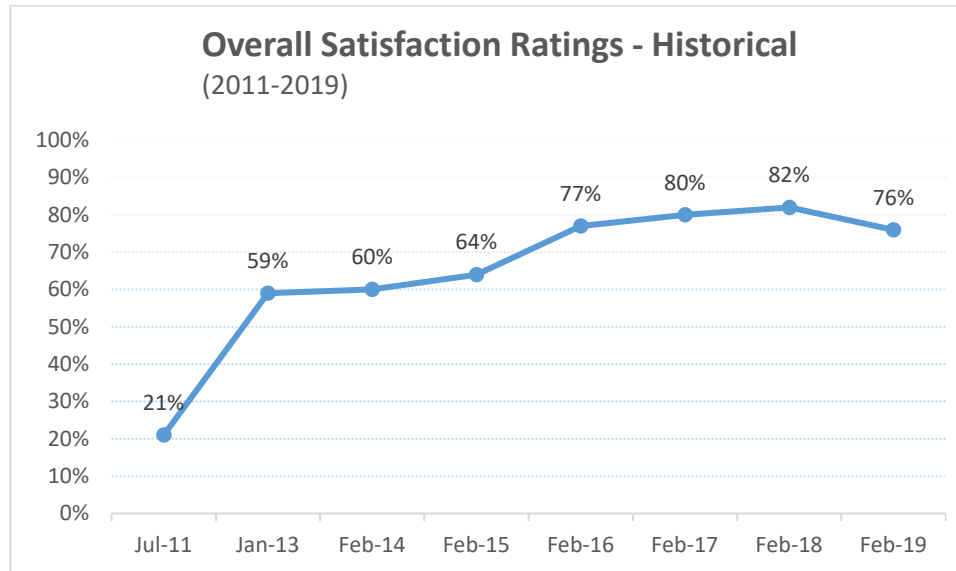
- **Mainframe.** 100-percent consolidated into the two state data centers with full redundancy and tested disaster recovery capability. The consolidation replaced 14 mainframes with seven new machines.
- **Print-Mail.** 100-percent consolidated providing high-speed print and bulk mail technology, resulting in reduced postage rates. Annually, the program prints nearly 340 million images and mails nearly 54 million items.
- **Server.** As of the end of FY 2019, the DCS program Server Consolidation rate was at 82.2 percent. The remaining 17.8 percent of servers are anticipated to remain non-consolidated to optimize performance and/or cost for select applications. The DCS program also maintains a hardware refresh program to ensure the state’s assets remain current and supportable.

### DCS Program Progress

DCS customer satisfaction, measured annually by a third party, has improved since the 2012 contract restructure. In FY 2019, the new MSI contract replaced tools that had been in use since 2007 and had been customers primary interface and engagement with the STS Program, which posed distinct

implementation challenges. Simultaneously, Texas.gov and the Open Data Portal became part of the program.

These changes brought both intended and unintended disruption, leading to a dip in customer satisfaction ratings in early FY 2019. The swift identification of issues, additional training, organizational change in management strategies, and process improvements resulted in a quick recovery with improvement holding throughout the remainder of the year.



With the integrator and service provider structure, numerous service delivery improvements have been achieved:

- Service levels are measured and reported at the program level and at the individual customer level to incentivize service provider performance and customer satisfaction for each individual customer. Service level credits are assessed at the program level only to achieve lower overall pricing for services and consistent performance for all agencies. All service providers routinely attain rigorous service levels.
- Agencies rate service provider performance on a monthly scorecard to complement the service level measurements and annual customer satisfaction surveys. In FY 2019 an average of 90 percent of customers rated the current service provider’s performance as Acceptable/Good/Excellent, reaching 100 percent in the final month of the year.
- Security standards and practices consistently met state and federal audit requirements, including Criminal Justice Information Security (CJIS), Internal Revenue System (IRS), and the State Auditor’s Office security standards compliance. The DCS program also has a software currency policy under the guidance of the customer governance structure.
- The MSI portal provides agencies transparency into service provider performance through reports, service level agreement measurements, process documentation, and consolidated billing.
- The two consolidated data centers provide high levels of security, newer technology, and more current software. Resiliency and business continuity are supported by a generator installed at the Austin Data Center.

- The DCS program also continued to meet modernization goals inherent in the consolidation initiative. In 2019, the SAN storage environment achieved 74.6 percent currency, server hardware achieved 75 percent currency, and server operating system software achieved 87 percent currency.

## Conclusion

As required by Texas Government Code 2054.062, DIR prepares this Consolidation Measurement Report annually. This report presents multiple views of DCS Program's financial performance to capture the complexity and dynamic nature, while also reporting on the status of consolidation.

Having exceeded the initial 75 percent server consolidation target, the DCS program continues to research and implement flexible and reliable hybrid cloud infrastructure services, through the private and public cloud, and new optional managed services to support customer application and security requirements.

## Appendix A – Unit Rate Analysis Methodology<sup>2</sup>

### Methodology

In 2014, DIR established an analysis framework and timeline to meet the objectives of Government Code Section 2054.062. This effort was not intended to be a market price evaluation but a methodology to help address the statutory mandate that was led by a working team consisting of representatives from DIR, including DIR’s Internal Auditor, and representatives from each of the DCS five partner groups representing their agency members, with assistance from Gartner, an independent third-party consulting firm. Since this cost measurement effort is not an audit, the role of the DIR Internal Auditor was to provide guidance and advice.

The methodology compares the actual enterprise and customer FY 2019 invoiced volumes and charges for services to a base rate. The base rate represents the expected amount the enterprise and customers are contractually obligated to pay for base volumes and is the basis for forecasting expected expenditures. A comparison of the actual invoiced amounts against the base rate provides one component of the financial performance assessment to help determine if DCS is meeting its objectives.

Customers receive invoices from DIR for DCS services that are primarily (but not exclusively) rate based. “Rate-based service” refers to a service that has a base charge and base volume for each unit of consumption. For instance, mainframe processing is a rate-based service. Mainframe is invoiced to customers based on consumption of five rate-based services or Resource Units (RUs): CPU Hours, CPU Hours Specialty Engine, Allocated Application DASD, Application Tapes in Storage VTS, and Mainframe Offsite Tape. Due to a technology change, Mainframe Offsite Tape services were not consumed after December 2014. For each customer consuming mainframe services, their actual monthly charges are based on the number of units consumed of each RU for a month.

For the unit rate analysis, the model takes into consideration approximately 38 percent (roughly \$103.0 million out of \$270.7 million) of the total amount DIR invoiced customers. The 38.2 percent includes the actual invoiced amounts for rate-based services. The remaining 62.0percent (\$167.7 million) of the DCS invoice charges do not have a base rate against which to compare, and thus were excluded for comparative purposes. Additional information on included and excluded RUs is contained in the Inclusion/Exclusion of Resource Units section below. The two main drivers for the increase in excluded charges are:

1. Managed Application Services - \$12.million increase in services consumed over FY 2018
2. Utility Instances - \$17.9 million growth over FY 2018 primarily from new customers consuming Microsoft Office 365 products.

At a customer summary level, this analysis considers the customer’s actual monthly invoice total and compares it to a calculated amount that is based on the base rate. Actual invoiced amounts have variable rates depending on the actual consumption of RUs at the program level. If consumption is ahead of projections, the actual unit rate that is invoiced will be lower than the base rate. Conversely, if

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<sup>2</sup> Methodology provided by Gartner for DIR pursuant to DBITS Contract Number DIR-SDD-2042, Engagement 330024351.

program consumption is lower than projected, the actual unit rate invoiced will be higher than the base rate.

### Base Rates

The DCS agencies working team determined the fiscal year base rate provided the best basis from which to make the comparison against actual consumption. The fiscal year base rates reflect initial contracted amounts adjusted for actual variances observed in the consolidation effort. While these rates were established at the current contract's inception, they are modified annually based on consolidation progress. This methodology meets the requirement of Government Code section 2054.062 (b): "The department shall use the data both in the department's initial cost projections and in any later cost comparison."

The base rate used in this assessment is the average chargeback rate for the fiscal year (in this case FY 2019), excluding inflation factors (Economic Change Adjustment or ECA) for each resource unit calculated by dividing the current year base charges (Attachment 4A of the contract) by the current year base volumes (Attachment 4D of the current contract) for the Service Component Providers (SCP) and the Multi-Sourcing Services Integrator (MSI).

For mainframe and bulk print-mail services with base charges and base volumes, the formula for calculating the base rate is as follows:

$$\text{(Base Charges from Attachment 4A / Base Volumes from Attachment 4-D)}$$

Additionally, for the Hybrid Cloud Services (HCS) that commenced in FY 2018, the Tier 6 pricing range was used as the base rate to align more closely with the assumptions underlying DCS 2018-2019 funding requests.

### Inclusion/Exclusion of Resource Units

The methodology started with the premise that as much of the costs as possible would be included in the analysis. Some new RUs that did not have an initial Tier 6 base rate were included in addition to the base rate RUs. For these RUs, the rate for first month the RU was invoiced was used as its FY 2019 base rate. These RUs include:

- Enterprise File/Print (September 2017)
- Remote File – Small (September 2017)
- Remote File – Medium (September 2017)
- Remote File – Large (September 2017)
- Remote File - X-Large (September 2017)
- Server Consolidated Offsite Tape (September 2017)

This analysis does not include DCS services that do not have base rates or may have a rate that does not fluctuate based on volume. These services include but are not limited to:

- Co-Location Services

- Managed Application Services
- Managed Security Services
- Rate Card Services
- Hardware Service Charges
- Server Software Service Charges (new and renewal)
- Oracle Enterprise Exadata Service Charges
- Mainframe Software Service Charge (new and renewal)
- Hardware Maintenance – DCS Customer Owned
- Enterprise Tape
- Transition and Transformation
- Miscellaneous Charges
- Optional Services
- Public Cloud
- Third Party Cloud
- Server Monitoring
- Wide Area Network Services (WAAS/WAE)
- Service Level Credits
- Custom Waste Credit
- Optional Print-Mail Services
- Microsoft Office 365
- Database as a Service
- Service Component Provider Cross-functional, Project and Facilities

## Appendix B – Detailed Unit Rate Analysis

### Mainframe

The Mainframe RU category is made up of four resource units, which include:

1. CPU Hours
2. CPU Hours Specialty Engine
3. Allocated Application DASD
4. Application Tapes in Storage VTS

**Analysis:** Mainframe consumption was ahead of the FY 2019 base volume estimates for all four resource unit categories (CPU Hours, CPU Hours Specialty Engine, Allocated Application DASD and Application Tapes in Storage VTS), resulting in a favorable variance for the year.

### Print-Mail

The Print-Mail RU category is made up of three resource units, which include:

1. Mail Insertions
2. Courier Services
3. Print Images

**Analysis:** Print-Mail consumption was below base volume estimates for FY 2019 resulting in unfavorable comparison against the base. Where allowable, customers continue to look for automation alternatives to replace traditional print and mail communications.

### Server Services

The Server RU category is made of six resource unit groups containing 41 Resource Units:

1. HCS Infrastructure
2. HSC Network Optional Services
3. HCS Services
4. HSC Service Tier Matrix Optional Services
5. Remote File
6. Utility Instances

**Analysis:** Volumes and actual charges compared unfavorably to the Tier 6 base costs. Some customer projects did not progress as quickly as anticipated. Customers also continue to migrate off Unix-based environments to lower cost alternatives. Remote Server Break Fix also had a significant negative variance due to higher costs to support non-consolidated environments.

### Server Storage and Tape Services

Server Storage and Tape consists of eight Resource Units.

1. Consolidated SAN Tier 1 (Ultra High)
2. Consolidated SAN Tier 2 (High)
3. Consolidated SAN Tier 3 (Medium)
4. Consolidated SAN Tier 4 (Low)



5. Non-Consolidated Storage
6. Storage Management
7. Storage Replication Management
8. Server Consolidated Offsite Tape

**Analysis:** There was a favorable variance in all resource units with the largest in Consolidated SAN Tier 1 (Ultra High). Organic growth, retention policies, and the timing of customer projects all have a direct impact storage consumption.

### MSI Charges

The MSI Charges category is made up of the following resource units:

1. Enterprise Fixed Charge
2. Variable Charges
3. Rate Card
4. DR Full Recovery Exercise
5. DR Full Recovery Exercise - Mainframe
6. DR Customer Tabletop Exercise
7. DRaaS Support
8. Mainframe DRaaS
9. APM Full Access Services
10. Transition and Transformation

**Analysis:** MSI charges were lower than the forecast largely due to lower variable charges than anticipated within the DCS program spend.

## Appendix C – DCS Customer Analysis<sup>3</sup>

The tables below provide different views of agency performance. The first view is FY 2019 appropriation versus actual expenditures with a variance. A positive variance for this view indicates the agency’s actual spend was less than the FY 2019 appropriations amount, and a negative variance indicates the actual spend was more than the FY 2019 appropriations amount. Subject to the limitations contained within the General Appropriations Act, Article IX, Sec. 14.03, agencies have varying levels of authority to address amounts spent in excess or less than the individual DCS capital budget line-item amounts.

The second view provides a summary of results for each of the RUs within the Unit Rate Analysis Methodology defined in this report. These results are specific to each agency and do not include any recovery fees that are seen in the agency invoices. A positive variance for this view indicates the agency financially benefited from unit rates that were lower than the base rate (essentially a larger volume discount than anticipated), while a negative variance reflects unit rates higher than base rates (essentially a smaller volume discount than anticipated). Appendix A and Appendix B of this report contain additional information related to costs/volumes included and excluded from the Unit Rate Analysis.

### Commission on State Emergency Communications (CSEC)

Fiscal Year 2019	Actuals
Rate Based Resource Unit-Included	
MSI Charges-Included	
Rate Based Resource Unit-Excluded	5,353
HSC/SSC/Rate Card-Excluded	125,113
Cross-functional, Project & Facilities-Excluded	
Transition and Transformation	
<b>TOTAL:</b>	<b>\$130,465</b>
<b>FY19 INITIAL APPROPRIATION:</b>	<b>\$267,919</b>
<b>VARIANCE:</b>	<b>\$137,454</b>

Summary by RU Group	CSEC
Mainframe	\$0
MSI Allocations	\$720
Print – Mail	\$0
Server Services	\$0
Server Storage & Tape	\$0
<b>Net Posture of Summary RU Results</b>	<b>\$720</b>

<sup>3</sup> Methodology provided by Gartner for DIR pursuant to DBITS Contract Number DIR-SDD-2042, Engagement 330024351.

<sup>4</sup> Voluntary Data Center Service customer that purchases email, print mail, or other optional services only and are not appropriated funds for DCS capital budgets

## Department of Family and Protective Services (DFPS)

Fiscal Year 2019	Actuals
Rate Based Resource Unit-Included	1,862,627
MSI Charges-Included	307,883
Rate Based Resource Unit-Excluded	3,175,516
HSC/SSC/Rate Card-Excluded	452,665
Cross-functional, Project & Facilities-Excluded	635,413
Transition and Transformation	389,992
<b>TOTAL:</b>	<b>\$6,824,096</b>
<b>FY19 INITIAL APPROPRIATION:</b>	<b>\$6,947,100</b>
<b>VARIANCE:</b>	<b>\$123,004</b>

Summary by RU Group	DFPS
Mainframe	\$0
MSI Services	\$183,522
Print – Mail	\$0
Server Services	\$5,950
Server Storage & Tape	\$912
<b>Net Posture of Summary RU Results</b>	<b>\$190,384</b>

## Texas Department of Information Resources

Fiscal Year 2019	Actuals
Rate Based Resource Unit-Included	244,605
MSI Charges-Included	65,224
Rate Based Resource Unit-Excluded	319,601
HSC/SSC/Rate Card-Excluded	313,541
Cross-functional, Project & Facilities-Excluded	133,829
Transition and Transformation	148,289
<b>TOTAL:</b>	<b>\$1,225,088</b>
<b>FY19 INITIAL APPROPRIATION:</b>	<b>\$1,372,893</b>
<b>VARIANCE:</b>	<b>\$147,805</b>

Summary by RU Group	DIR
Mainframe	\$0
MSI Allocations	\$68,097
Print – Mail	\$0
Server Services	\$2,431

Server Storage & Tape	\$174
<b>Net Posture of Summary RU Results</b>	<b>\$70,702</b>

Texas.gov

Fiscal Year 2019	Actuals
Rate Based Resource Unit-Included	1,454,456
MSI Charges-Included	152,735
Rate Based Resource Unit-Excluded	931,362
HSC/SSC/Rate Card-Excluded	534,327
Cross-functional, Project & Facilities-Excluded	623,087
Transition and Transformation	187,656
<b>TOTAL:</b>	<b>\$3,883,623</b>
<b>FY19 INITIAL APPROPRIATION:</b>	<b>1,886,523</b>
<b>VARIANCE:</b>	<b>(\$1,997,100)</b>

Summary by RU Group	Texas.g20ov
Mainframe	\$0
MSI Allocations	(\$152,735)
Print – Mail	\$0
Server Services	(\$69,680)
Server Storage & Tape	\$4,154
<b>Net Posture of Summary RU Results</b>	<b>(\$218,261)</b>

Department of State Health Services (DSHS)

Fiscal Year 2019	Actuals
Rate Based Resource Unit-Included	2,765,186
MSI Charges-Included	877,687
Rate Based Resource Unit-Excluded	4,162,816
HSC/SSC/Rate Card-Excluded	3,636,927
Cross-functional, Project & Facilities-Excluded	1,416,509
Transition and Transformation	1,414,859
<b>TOTAL:</b>	<b>\$14,273,984</b>
<b>FY19 INITIAL APPROPRIATION:</b>	<b>\$11,181,428</b>
<b>VARIANCE:</b>	<b>(\$3,092,556)</b>

Summary by RU Group	DSHS
Mainframe	\$0
MSI Allocations	\$38,000

Print – Mail	(\$469)
Server Services	(\$48,991)
Server Storage & Tape	\$5,012
<b>Net Posture of Summary RU Results</b>	<b>(\$6,449)</b>

### General Land Office (GLO)

Fiscal Year 2019	Actuals
Rate Based Resource Unit-Included	
MSI Charges-Included	
Rate Based Resource Unit-Excluded	206,784
HSC/SSC/Rate Card-Excluded	375,047
Cross-functional, Project & Facilities-Excluded	
Transition and Transformation	
<b>TOTAL:</b>	<b>\$581,831</b>
<b>FY19 INITIAL APPROPRIATION:</b>	<b>\$183,960</b>
<b>VARIANCE:</b>	<b>(\$397,871)</b>

In FY 2019, GLO did not consume any services that were included in the base rate analysis.

### Texas Health and Human Services Commission (HHSC)

Fiscal Year 2019	Actuals
Rate Based Resource Unit-Included	19,437,728
MSI Charges-Included	3,314,885
Rate Based Resource Unit-Excluded	13,814,391
HSC/SSC/Rate Card-Excluded	9,315,817
Cross-functional, Project & Facilities-Excluded	5,570,428
Transition and Transformation	3,098,200
<b>TOTAL:</b>	<b>\$54,551,448</b>
<b>FY19 INITIAL APPROPRIATION:</b>	<b>\$51,475,939</b>
<b>VARIANCE:</b>	<b>(\$3,075,509)</b>

Summary by RU Group	HHSC
Mainframe	7,687
MSI Allocations	124,631
Print – Mail	(260,891)
Server Services	(315,775)
Server Storage & Tape	47,313
<b>Net Posture of Summary RU Results</b>	<b>(\$397,034)</b>

### Health Professions Council (HPC)

Fiscal Year 2019	Actuals
Rate Based Resource Unit-Included	
MSI Charges-Included	
Rate Based Resource Unit-Excluded	
HSC/SSC/Rate Card-Excluded	149,910
Cross-functional, Project & Facilities-Excluded	
Transition and Transformation	
<b>TOTAL:</b>	<b>\$149,910</b>
<b>FY19 INITIAL APPROPRIATION:</b>	<b>\$138,000</b>
<b>VARIANCE:</b>	<b>(\$11,910)</b>

In FY 2019, HPC did not consume any services that were included in the base rate analysis.

### Office of the Attorney General-Admin/Legal (OAG-AL)

Fiscal Year 2019	Actuals
Rate Based Resource Unit-Included	1,048,162
MSI Charges-Included	171,920
Rate Based Resource Unit-Excluded	915,796
HSC/SSC/Rate Card-Excluded	648,531
Cross-functional, Project & Facilities-Excluded	346,244
Transition and Transformation	281,133
<b>TOTAL:</b>	<b>\$3,411,786</b>
<b>FY19 INITIAL APPROPRIATION:</b>	<b>\$4,346,333</b>
<b>VARIANCE:</b>	<b>\$934,547</b>

Summary by RU Group	OAG-AL
Mainframe	941
MSI Allocations	23,159
Print – Mail	(39,107)
Server Services	8,810
Server Storage & Tape	1,420
<b>Net Posture of Summary RU Results</b>	<b>(\$4,778)</b>

### Office of the Attorney General-Child Support (OAG-CS)

Fiscal Year 2019	Actuals
Rate Based Resource Unit-Included	21,594,517
MSI Charges-Included	2,866,386

Rate Based Resource Unit-Excluded	4,749,100
HSC/SSC/Rate Card-Excluded	11,697,592
Cross-functional, Project & Facilities-Excluded	2,559,586
Transition and Transformation	2,012,218
<b>TOTAL:</b>	<b>\$45,479,399</b>
<b>FY19 INITIAL APPROPRIATION:</b>	<b>\$47,635,128</b>
<b>VARIANCE:</b>	<b>\$2,155,730</b>

Summary by RU Group		OAG-CS
Mainframe		109,715
MSI Allocations		188,486
Print – Mail		(132,321)
Server Services		(155,806)
Server Storage & Tape		33,739
<b>Net Posture of Summary RU Results</b>		<b>\$43,814</b>

#### Public Utility Commission of Texas (PUC)

Fiscal Year 2019	Actuals
Rate Based Resource Unit-Included	106,685.53
MSI Charges-Included	16,261.52
Rate Based Resource Unit-Excluded	68,695.62
HSC/SSC/Rate Card-Excluded	32,592.22
Cross-functional, Project & Facilities-Excluded	39,247.28
Transition and Transformation	41,110.35
<b>TOTAL:</b>	<b>\$304,593</b>
<b>FY19 INITIAL APPROPRIATION:</b>	<b>\$415,969</b>
<b>VARIANCE:</b>	<b>\$111,376</b>

Summary by RU Group		PUC
Mainframe		
MSI Allocations		1,509
Print – Mail		(1,609)
Server Services		-
Server Storage & Tape		43
<b>Net Posture of Summary RU Results</b>		<b>(\$57)</b>

#### Railroad Commission of Texas (RRC)

Fiscal Year 2019	Actuals
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Rate Based Resource Unit-Included	1,089,643
MSI Charges-Included	349,549
Rate Based Resource Unit-Excluded	2,100,998
HSC/SSC/Rate Card-Excluded	1,654,784
Cross-functional, Project & Facilities-Excluded	275,815
Transition and Transformation	279,497
<b>TOTAL:</b>	<b>\$5,750,286</b>
<b>FY19 INITIAL APPROPRIATION:</b>	<b>\$5,343,214</b>
<b>VARIANCE:</b>	<b>(\$407,072)</b>

Summary by RU Group		RRC
Mainframe		2,222
MSI Allocations		(13,083)
Print – Mail		(32,935)
Server Services		(3,631)
Server Storage & Tape		2,037
<b>Net Posture of Summary RU Results</b>		<b>(\$45,390)</b>

#### Texas Secretary of State (SOS)

Fiscal Year 2019	Actuals
Rate Based Resource Unit-Included	241,657
MSI Charges-Included	81,253
Rate Based Resource Unit-Excluded	330,274
HSC/SSC/Rate Card-Excluded	117,445
Cross-functional, Project & Facilities-Excluded	233,143
Transition and Transformation	81,228
<b>TOTAL:</b>	<b>\$1,084,999</b>
<b>FY19 INITIAL APPROPRIATION:</b>	<b>\$1,704,033</b>
<b>VARIANCE:</b>	<b>\$619,034</b>

Summary by RU Group		SOS
Mainframe		
MSI Allocations		(22,905)
Print – Mail		
Server Services		290
Server Storage & Tape		254
<b>Net Posture of Summary RU Results</b>		<b>(\$22,361)</b>

#### Texas Alcoholic Beverage Commission (TABC)



Fiscal Year 2019		Actuals
Rate Based Resource Unit-Included		243,370
MSI Charges-Included		47,222
Rate Based Resource Unit-Excluded		238,977
HSC/SSC/Rate Card-Excluded		87,449
Cross-functional, Project & Facilities-Excluded		96,077
Transition and Transformation		67,590
	<b>TOTAL:</b>	<b>\$780,686</b>
	<b>FY19 INITIAL APPROPRIATION:</b>	<b>\$957,936</b>
	<b>VARIANCE:</b>	<b>\$177,250</b>

Summary by RU Group		TABC
Mainframe		
MSI Allocations		(2,154)
Print – Mail		(359)
Server Services		711
Server Storage & Tape		287
<b>Net Posture of Summary RU Results</b>		<b>(\$1,515)</b>

#### Texas Commission on Environmental Quality (TCEQ)

Fiscal Year 2019		Actuals
Rate Based Resource Unit-Included		1,771,772
MSI Charges-Included		668,320
Rate Based Resource Unit-Excluded		3,465,417
HSC/SSC/Rate Card-Excluded		7,780,745
Cross-functional, Project & Facilities-Excluded		718,793
Transition and Transformation		809,097
	<b>TOTAL:</b>	<b>\$15,214,143</b>
	<b>FY19 INITIAL APPROPRIATION:</b>	<b>\$11,807,904</b>
	<b>VARIANCE:</b>	<b>(\$3,406,239)</b>

Summary by RU Group		TCEQ
Mainframe		
MSI Allocations		110,987
Print – Mail		
Server Services		(4,537)
Server Storage & Tape		4,546
<b>Net Posture of Summary RU Results</b>		<b>\$110,996</b>

Texas Department of Agriculture (TDA)

Fiscal Year 2019	Actuals
Rate Based Resource Unit-Included	21,645
MSI Charges-Included	3,032
Rate Based Resource Unit-Excluded	5,419
HSC/SSC/Rate Card-Excluded	
Cross-functional, Project & Facilities-Excluded	2,625
Transition and Transformation	
<b>TOTAL:</b>	<b>\$32,720</b>
<b>FY19 INITIAL APPROPRIATION:</b>	<b>\$33,375</b>
<b>VARIANCE:</b>	<b>\$655</b>

Summary by RU Group	TDA
Mainframe	
MSI Allocations	(743)
Print – Mail	(1,339)
Server Services	
Server Storage & Tape	
<b>Net Posture of Summary RU Results</b>	<b>(\$2,082)</b>

Texas Department of Criminal Justice (TDCJ)

Fiscal Year 2019	Actuals
Rate Based Resource Unit-Included	7,848,218
MSI Charges-Included	1,085,451
Rate Based Resource Unit-Excluded	3,413,736
HSC/SSC/Rate Card-Excluded	2,411,176
Cross-functional, Project & Facilities-Excluded	471,809
Transition and Transformation	870,499
<b>TOTAL:</b>	<b>\$16,100,889</b>
<b>FY19 INITIAL APPROPRIATION:</b>	<b>\$16,376,783</b>
<b>VARIANCE:</b>	<b>\$275,894</b>

Summary by RU Group	TDCJ
Mainframe	56,153
MSI Allocations	(1,766)
Print – Mail	(10,772)
Server Services	344
Server Storage & Tape	1,804
<b>Net Posture of Summary RU Results</b>	<b>\$45,763</b>

Texas Department of Housing and Community Affairs (TDHCA)

Fiscal Year 2019	Actuals
Rate Based Resource Unit-Included	370
MSI Charges-Included	19,438
Rate Based Resource Unit-Excluded	12,532
HSC/SSC/Rate Card-Excluded	
Cross-functional, Project & Facilities-Excluded	3,790
Transition and Transformation	
<b>TOTAL:</b>	<b>\$36,131</b>
<b>FY19 INITIAL APPROPRIATION:</b>	<b>\$39,428</b>
<b>VARIANCE:</b>	<b>\$3,297</b>

Summary by RU Group	TDHCA
Mainframe	
MSI Allocations	(17,868)
Print – Mail	-
Server Services	(41)
Server Storage & Tape	-
<b>Net Posture of Summary RU Results</b>	<b>(\$17,910)</b>

Texas Department of Insurance (TDI)

Fiscal Year 2019	Actuals
Rate Based Resource Unit-Included	1,215,552
MSI Charges-Included	289,376
Rate Based Resource Unit-Excluded	1,362,606
HSC/SSC/Rate Card-Excluded	1,354,355
Cross-functional, Project & Facilities-Excluded	603,933
Transition and Transformation	352,742
<b>TOTAL:</b>	<b>\$5,178,564</b>
<b>FY19 INITIAL APPROPRIATION:</b>	<b>\$4,724,955</b>
<b>VARIANCE:</b>	<b>(\$453,609)</b>

Summary by RU Group	TDI
Mainframe	
MSI Allocations	89,412
Print – Mail	(30,397)
Server Services	(8,456)
Server Storage & Tape	1,745
<b>Net Posture of Summary RU Results</b>	<b>\$52,303</b>

## Texas Department of Licensing and Regulation (TDLR)

Fiscal Year 2019	Actuals
Rate Based Resource Unit-Included	231,639
MSI Charges-Included	46,570
Rate Based Resource Unit-Excluded	285,011
HSC/SSC/Rate Card-Excluded	423,315
Cross-functional, Project & Facilities-Excluded	110,945
Transition and Transformation	64,298
<b>TOTAL:</b>	<b>\$1,161,778</b>
<b>FY19 INITIAL APPROPRIATION:</b>	<b>\$983,365</b>
<b>VARIANCE:</b>	<b>(\$178,413)</b>

Summary by RU Group	TDLR
Mainframe	
MSI Allocations	4,542
Print – Mail	
Server Services	2,075
Server Storage & Tape	160
<b>Net Posture of Summary RU Results</b>	<b>\$6,777</b>

## Texas Education Agency (TEA)

Fiscal Year 2019	Actuals
Rate Based Resource Unit-Included	2,574,689
MSI Charges-Included	730,546
Rate Based Resource Unit-Excluded	1,957,945
HSC/SSC/Rate Card-Excluded	6,897,930
Cross-functional, Project & Facilities-Excluded	1,230,860
Transition and Transformation	860,401
<b>TOTAL:</b>	<b>\$14,252,372</b>
<b>FY19 INITIAL APPROPRIATION:</b>	<b>\$13,421,592</b>
<b>VARIANCE:</b>	<b>(\$830,780)</b>

Summary by RU Group	TEA
Mainframe	
MSI Allocations	(96,951)
Print – Mail	
Server Services	(13,096)
Server Storage & Tape	2,635
<b>Net Posture of Summary RU Results</b>	<b>(\$107,411)</b>

### Texas Facilities Commission (TFC)

Fiscal Year 2019	Actuals
Rate Based Resource Unit-Included	61,858
MSI Charges-Included	8,577
Rate Based Resource Unit-Excluded	89,441
HSC/SSC/Rate Card-Excluded	59,567
Cross-functional, Project & Facilities-Excluded	20,550
Transition and Transformation	19,356
<b>TOTAL:</b>	<b>\$259,349</b>
<b>FY19 INITIAL APPROPRIATION:</b>	<b>\$287,235</b>
<b>VARIANCE:</b>	<b>\$27,886</b>

Summary by RU Group	TFC
Mainframe	
MSI Allocations	4,161
Print – Mail	
Server Services	(547)
Server Storage & Tape	387
<b>Net Posture of Summary RU Results</b>	<b>\$4,002</b>

### Texas Historical Commission (THC)

Fiscal Year 2019	Actuals
Rate Based Resource Unit-Included	
MSI Charges-Included	
Rate Based Resource Unit-Excluded	57,272
HSC/SSC/Rate Card-Excluded	1,013
Cross-functional, Project & Facilities-Excluded	
Transition and Transformation	
<b>TOTAL:</b>	<b>\$58,285</b>
<b>FY19 INITIAL APPROPRIATION:</b>	<b>\$58,581</b>
<b>VARIANCE:</b>	<b>\$296</b>

In FY 2019, THC did not consume any services that were included in the base rate analysis.

### Texas Higher Education Coordinating Board (THECB)

Fiscal Year 2019	Actuals
Rate Based Resource Unit-Included	645,541
MSI Charges-Included	137,057
Rate Based Resource Unit-Excluded	357,330

HSC/SSC/Rate Card-Excluded	386,494
Cross-functional, Project & Facilities-Excluded	212,878
Transition and Transformation	143,894
<b>TOTAL:</b>	<b>\$1,883,194</b>
<b>FY19 INITIAL APPROPRIATION:</b>	<b>\$2,126,930</b>
<b>VARIANCE:</b>	<b>\$243,736</b>

Summary by RU Group		THECB
Mainframe		
MSI Allocations		(12,361)
Print – Mail		(3,549)
Server Services		(802)
Server Storage & Tape		1,961
<b>Net Posture of Summary RU Results</b>		<b>(\$14,752)</b>

#### Texas Juvenile Justice Department (TJJD)

Fiscal Year 2019	Actuals
Rate Based Resource Unit-Included	600,841
MSI Charges-Included	90,932
Rate Based Resource Unit-Excluded	260,162
HSC/SSC/Rate Card-Excluded	398,788
Cross-functional, Project & Facilities-Excluded	180,482
Transition and Transformation	141,537
<b>TOTAL:</b>	<b>\$1,672,742</b>
<b>FY19 INITIAL APPROPRIATION:</b>	<b>\$1,893,081</b>
<b>VARIANCE:</b>	<b>\$220,339</b>

Summary by RU Group		TJJD
Mainframe		804
MSI Allocations		870
Print – Mail		
Server Services		(8,791)
Server Storage & Tape		310
<b>Net Posture of Summary RU Results</b>		<b>(\$6,806)</b>

#### Texas Military Department (TMD)

Fiscal Year 2019	Actuals
Rate Based Resource Unit-Included	

MSI Charges-Included	-
Rate Based Resource Unit-Excluded	39,052
HSC/SSC/Rate Card-Excluded	41,310
Cross-functional, Project & Facilities-Excluded	-
Transition and Transformation	
<b>TOTAL:</b>	<b>\$80,362</b>
<b>FY19 INITIAL APPROPRIATION:</b>	<b>\$59,607</b>
<b>VARIANCE:</b>	<b>(\$20,755)</b>

In FY 2019, TMD did not consume any services that were included in the base rate analysis.

### Texas Parks and Wildlife Department (TPWD)

Fiscal Year 2019	Actuals
Rate Based Resource Unit-Included	683,438
MSI Charges-Included	179,554
Rate Based Resource Unit-Excluded	1,535,134
HSC/SSC/Rate Card-Excluded	2,211,860
Cross-functional, Project & Facilities-Excluded	348,957
Transition and Transformation	329,607
<b>TOTAL:</b>	<b>\$5,288,550</b>
<b>FY19 INITIAL APPROPRIATION:</b>	<b>\$4,701,727</b>
<b>VARIANCE:</b>	<b>(\$586,823)</b>

Summary by RU Group	TPWD
Mainframe	
MSI Allocations	1,100
Print – Mail	
Server Services	(16,387)
Server Storage & Tape	994
<b>Net Posture of Summary RU Results</b>	<b>(\$14,293)</b>

### Texas State Library and Archives Commission (TSLAC)

Fiscal Year 2019	Actuals
Rate Based Resource Unit-Included	173,855
MSI Charges-Included	24,344
Rate Based Resource Unit-Excluded	11,420
HSC/SSC/Rate Card-Excluded	69,217
Cross-functional, Project & Facilities-Excluded	53,776

Transition and Transformation	33,788
<b>TOTAL:</b>	<b>\$366,400</b>
<b>FY19 INITIAL APPROPRIATION:</b>	<b>\$522,802</b>
<b>VARIANCE:</b>	<b>\$156,402</b>

Summary by RU Group		TSLAC
Mainframe		
MSI Allocations		16,065
Print – Mail		(1,531)
Server Services		1,561
Server Storage & Tape		131
<b>Net Posture of Summary RU Results</b>		<b>\$16,226</b>

### Texas Veterans Commission (TVC)

Fiscal Year 2019	Actuals
Rate Based Resource Unit-Included	10,336
MSI Charges-Included	5,211
Rate Based Resource Unit-Excluded	55,326
HSC/SSC/Rate Card-Excluded	4,696
Cross-functional, Project & Facilities-Excluded	10,336
Transition and Transformation	4,002
<b>TOTAL:</b>	<b>\$89,906</b>
<b>FY19 INITIAL APPROPRIATION:</b>	<b>\$122,373</b>
<b>VARIANCE:</b>	<b>\$32,467</b>

Summary by RU Group		TVC
Mainframe		
MSI Allocations		(796)
Print – Mail		
Server Services		145
Server Storage & Tape		9
<b>Net Posture of Summary RU Results</b>		<b>(\$643)</b>

### Texas Workforce Commission (TWC)

Fiscal Year 2019	Actuals
Rate Based Resource Unit-Included	12,673,462
MSI Charges-Included	1,633,547
Rate Based Resource Unit-Excluded	2,742,621
HSC/SSC/Rate Card-Excluded	4,281,691



Cross-functional, Project & Facilities-Excluded	1,063,376
Transition and Transformation	1,630,228
<b>TOTAL:</b>	<b>\$24,024,924</b>
<b>FY19 INITIAL APPROPRIATION:</b>	<b>\$24,859,725</b>
<b>VARIANCE:</b>	<b>\$834,801</b>

Summary by RU Group		TWC
Mainframe		66,885
MSI Allocations		(34,396)
Print – Mail		(73,621)
Server Services		(67,979)
Server Storage & Tape		9,550
<b>Net Posture of Summary RU Results</b>		<b>(\$99,562)</b>

#### Texas Water Development Board (TWDB)

Fiscal Year 2019	Actuals
Rate Based Resource Unit-Included	116,541
MSI Charges-Included	61,329
Rate Based Resource Unit-Excluded	104,268
HSC/SSC/Rate Card-Excluded	112,882
Cross-functional, Project & Facilities-Excluded	407,552
Transition and Transformation	117,683
<b>TOTAL:</b>	<b>\$920,255</b>
<b>FY19 INITIAL APPROPRIATION:</b>	<b>\$1,010,030</b>
<b>VARIANCE:</b>	<b>\$89,775</b>

Summary by RU Group		TWDB
Mainframe		
MSI Allocations		(1,415)
Print – Mail		
Server Services		(490)
Server Storage & Tape		1,360
<b>Net Posture of Summary RU Results</b>		<b>(\$545)</b>

#### Texas Department of Motor Vehicles (TXDMV)

Fiscal Year 2019	Actuals
Rate Based Resource Unit-Included	3,160,148
MSI Charges-Included	822,889

Rate Based Resource Unit-Excluded	2,098,507
HSC/SSC/Rate Card-Excluded	2,194,618
Cross-functional, Project & Facilities-Excluded	960,227
Transition and Transformation	442,939
<b>TOTAL:</b>	<b>\$9,679,329</b>
<b>FY19 INITIAL APPROPRIATION:</b>	<b>\$9,351,145</b>
<b>VARIANCE:</b>	<b>(\$328,184)</b>

Summary by RU Group		TxDMV
Mainframe		
MSI Allocations		133,113
Print – Mail		(69,872)
Server Services		(23,760)
Server Storage & Tape		14,179
<b>Net Posture of Summary RU Results</b>		<b>\$53,659</b>

#### Texas Department of Transportation (TXDOT)

Fiscal Year 2019	Actuals
Rate Based Resource Unit-Included	7,783,126
MSI Charges-Included	1,677,989
Rate Based Resource Unit-Excluded	8,814,167
HSC/SSC/Rate Card-Excluded	7,161,270
Cross-functional, Project & Facilities-Excluded	2,966,421
Transition and Transformation	1,844,276
<b>TOTAL:</b>	<b>\$30,247,249</b>
<b>FY19 INITIAL APPROPRIATION:</b>	<b>\$25,782,342</b>
<b>VARIANCE:</b>	<b>(\$4,464,907)</b>

Summary by RU Group		TxDOT
Mainframe		8,851
MSI Allocations		(42,900)
Print – Mail		
Server Services		(154,504)
Server Storage & Tape		29,804
<b>Net Posture of Summary RU Results</b>		<b>(\$158,748)</b>

## Voluntary Customers<sup>4</sup>

<b>Agencies (without a DCS Capital Budget Appropriation)</b>	<b>Actual Consumption</b>
Board of Law Examiners	\$7,010
Office of Public Utilities Commission	\$17,314
State Securities Board	\$28,324
Texas Ethics Commission	\$2,091
Texas Lottery Commission	\$67,718
Teacher Retirement System of Texas	\$293,844
Texas State Board of Pharmacy	\$8,863
Texas Department of Public Safety	\$2,555,923
Texas Racing Commission	\$9,087
<b>TOTAL:</b>	<b>\$2,989,374</b>
<b>Self-Directed and Semi-Independent Agencies</b>	<b>Actual Consumption</b>
Texas Credit Union Department	\$21,178
Texas Board of Architectural Examiners	\$5,016
Texas Board of Professional Engineers	\$8,549
Texas Real Estate Commission	\$27,509
Texas Department of Banking	\$38,795
<b>TOTAL:</b>	<b>\$101,047</b>
<b>Higher Education: Colleges and Universities</b>	<b>Actual Consumption</b>
Texas A&M Forest Service	\$16,086
Texas Tech University	\$8,043
Sul Ross State University	\$17,921
Texas Woman's University	\$10,222
<b>TOTAL:</b>	<b>\$52,272</b>
<b>Local Government Entities</b>	<b>Actual Consumption</b>
City of Abilene	\$6,177
Austin County Emergency Communications District	\$6,177
Bexar Metro 911 Network District	\$15,443
Brazos County	\$8,043
Capital Area Council of Governments	\$11,033
City of Carrollton	\$6,177
City of Harker Heights	\$6,177
City of Houston	\$6,177
City of Universal City	\$6,177
Colorado County	\$27,141
City of Fair Oaks Ranch	\$6,177
Collin County	\$6,177
City of Plainview	\$6,177
Travis County	\$1,109
City of San Antonio	\$6,177

City of Temple	\$6,177
City of Waco	\$6,177
City of Wolfforth	\$6,177
Dallas Area Rapid Transit	\$6,177
El Paso County 911 District	\$4,118
Erath County	\$5,105
Houston Parks Board LGC, Inc.	\$1,030
Lower Colorado River Authority	\$15,443
Lower Rio Grande Valley Development Council	\$15,443
North Texas Municipal Water District	\$15,443
Potter County	\$26,738
San Antonio Housing Authority	\$6,177
Texas Commission on Jail Standards	\$2,188
Town of Little Elm	\$6,177
Texas Municipal League Intergovernmental Risk Pool	\$18,193
Tarrant Regional Water District	\$15,443
Center of Space Research, UT Austin	\$16,086
Via Metropolitan Transit	\$6,177
Williamson County	\$22,306
<b>TOTAL:</b>	<b>\$325,311</b>
<b>VOLUNTARY CUSTOMER TOTAL:</b>	<b>\$3,468,004</b>

<sup>4</sup> Voluntary Data Center Service customer that purchases email, print mail, or other optional services only and are not appropriated funds for DCS capital budgets

## Appendix D – Definition of Terms

Term	Definition
Agreement	Master Services Agreement for the Data Center Services program
Base Rate	The average chargeback rate for the fiscal year (in this case fiscal year 2019), excluding inflation factors, for each resource unit calculated by dividing the current year base charges (Attachment 4A of the DCS Agreement) by the current year base volumes (Attachment 4D of the current DCS Agreement) for the Service Component Providers (SCP) and the Multi-Sourcing Services Integrator (MSI).
CPU	Central Processing Unit
DASD	Direct Attached Storage Device
DBaaS	Database as a Service – This service is a derivative of platform as a service. For DCS, it represents the Oracle database and hardware cost in consolidated server solutions.
DCS	Data Center Services, a DIR program offering data center services to agencies
DIR	Texas Department of Information Resources
Favorable Variance	Refers to the difference between planned or expected cost to actual cost. A favorable variance indicates the actual cost is less than the planned or expected cost.
Fiscal Year	Fiscal Year 2019 references the Texas State fiscal year, which ran from September 1, 2018, through August 31, 2019
HSC	Hardware Service Charge
IT	Information Technology
Oracle Exadata Solution	Hardware costs associated with the Oracle database as a service solution
MSI	Multi-sourcing Services Integrator
Multi-sourcing Services Integrator	A third-party service provider that coordinates and integrates the service delivery in an environment that uses multiple internal and external service providers for the delivery of IT and business process services
Rate Based Services	DCS services that are charged to agencies based on a contracted rate and consumption level
Resource Unit	The unit of measure for the rate-based services
SCCM	System Center Configuration Manager
SSC	Software Service Charge
SVR	Server
Tiered Services	Server and storage services that are based on a pricing tier range versus a contracted rate and consumption level.
Transition and Transformation	Transition costs are the costs associated with upgrading the IT operating environment when moving from one outsourced environment to another outsourced environment.
Unfavorable Variance	Refers to the difference between planned or expected cost to actual cost. An unfavorable variance indicates the actual cost is more than the planned or expected cost.

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Jason Storey	Texas Workforce Commission	Partner Group 3
Sage Chandrasoma	Texas Department of Transportation	Partner Group 4
Lara Coffey	Texas Education Agency	Partner Group 5