

MEMORANDUM

To: State Agencies
From: Greg Hoffman, Director – Administrative Services
North Dakota Information Technology
Date: Tuesday, April 14, 2020
Subject: **BUDGET GUIDELINES FOR 2021-2023 BIENNIUM**

North Dakota Information Technology (NDIT) has projected service rates for the 2021-2023 biennium. The rate schedules and a brief description of the services for Data Processing and Telecom may be found on the NDIT website at <https://www.nd.gov/itd/support/billing>. Rates that are highlighted in **bold** are the rates that changed from the 2019-2021 budget instructions.

Each biennium NDIT looks at the need to adjust the rates for the services provided. Because it is difficult for agencies to adjust their funding once the budget has been approved, every attempt is made to keep NDIT rates from increasing during the biennium. The following is an overview of the rate changes for the upcoming biennium.

The service rates for professional staff will consolidate into single rates per category. NDIT will continue to include the costs of software development toolset upgrades within the application hosting fees. These fees will see an increase to align with this change. NDIT will continue exploring cloud computing solutions, fitting those costs within the current general hosting rates which will be decreasing for servers and disk. Agencies who utilize the mainframe platform will need to budget for the effect of fewer agencies sharing the costs for these computing platforms as some agencies migrate to other solutions. The technology fee for state agencies will increase. NDIT will consolidate the phone and voicemail service rates with minimal changes. Other Telecom rates will remain steady. Agencies utilizing Software as a Service (SaaS) applications are required to obtain a signed waiver from NDIT and will see rates associated with NDIT's ongoing role in brokering cloud services.

During the 66th Legislative Assembly, six agency's IT staff were unified with NDIT to provide technology solutions and support in a centralized, shared service model. The chargeback model for these services in the 2021-23 biennium will be reflected in maintenance and operations agreements based on the business need for support. NDIT staff will be working with agency staff to create these agreements prior to agency budget deadlines.

Enterprise Project Management Office

Agencies with large projects will be billed a fee to cover the costs associated with the Enterprise Project Management Office and large project reporting requested by the Legislature. The fee will be \$2,500 per every \$500,000 of project costs. This fee will be capped at \$25,000 per project per fiscal year.

Software Development and Toolset Upgrades

NDIT Software Development is undergoing an Agile Transformation in the approach to developing applications. This shift creates scrum teams that work in shorter "sprints" within an overall project. As a result, NDIT has taken a more consolidated approach to hour chargeback for these teams. Development will be billed at \$102 per hour, Business Analysts will be billed at \$125 per hour, Project Management will be billed at \$130 per hour, and a new category for Business Process Improvement will be billed at \$130 per hour.

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The NDIR Software Development Division supports many software development tools and languages. As part of our cybersecurity posture NDIR upgrades versions of our tools and languages on a regular basis. NDIR will continue to include the development cost to upgrading the Java/WebSphere applications in the hosting fees for these applications. NDIR will expand this to toolsets for all Oracle, SQL, MySQL and .Net applications. Agencies will not need to budget for software development hours to complete the upgrade as in past biennium.

Microsoft Productivity Suite

The current contract rate of \$31.41 for Microsoft Productivity Suite will be changing for the 2021-23 Biennium, however, this rate has not been finalized with Microsoft yet. Not all users will require this “full bundle” license. It is possible that some users will need only an Exchange Online license, or an Azure AD license, depending on their access requirements. All of these are per license fees that will apply to any accounts that require a Microsoft user license including service accounts, privileged accounts, or information accounts as needed. This change is being implemented to more closely align our billing to the Microsoft license requirements for the per user subscription model. As a result, this license cost will be removed from the Desktop Support Device fee.

Network Rates (WAN connections)

Endpoint network rates for fiber locations will remain the same as the 2019-21 biennium. Base connectivity for state agencies with non-fiber endpoints on STAGEnet is currently 10 Mbps and agencies should budget for this minimum bandwidth at all endpoint locations. There are additional bandwidth options available for additional cost.

Agencies that have any broadband connectivity (DSL, cable, wireless, satellite, cellular) are reminded that all connectivity should be purchased through NDIR and there is an associated broadband add-on charge in addition to vendor cost of the broadband connection. The add-on rates will remain the same for the 2021-2023 biennium. The premium add-on rate applies to locations that require network to network connectivity and comes with extended support hours. The basic add-on applies to locations that have six or less connections and do not require the network to network connectivity or extended support hours. The residential add-on applies to single person locations that do not need network to network connectivity or extended support. The broadband connection provided by the local telecommunication company is a direct bill back to each agency and is subject to rate changes throughout the biennium based on provider.

Security and Technology Fee

Cost recovery for the operations of NDIR security has long been a percentage of all other rates as well as a portion of the technology fee and the ConnectND fee. As in the 2019-21 biennium, NDIR will look to make great strides in security toolsets, staffing and overall coverage across the state. As a result, NDIR will look to move this funding out of the service fees. This will allow us to either reduce rates to agencies or repurpose this revenue to provide additional value to our customers at minimal rate increases.

As a result, NDIR will be able to provide statewide Digital Services for all agencies. Statewide Digital Services will provide you a state hosted website, content management guidance and training, and a suite of digital tools to support the development, implementation, and maintenance of citizen-centered, welcoming, highly useful, and cost-effective web technology solutions. To build digital experiences around the needs of our constituents, we aim to unify the

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State's disparate websites into an enterprise web content management system with a focus on intentional design and continuous improvement. Our Digital Services Team is driven by accessibility, transparency, and innovation.

The Technology Fee will increase from \$66.25 to \$68.25. This will allow for datacenter and backbone switching hardware to be replaced in the upcoming biennium. The usage metric is based on the number of legislatively authorized FTE identified in the 2019-2021 Legislative Appropriations book. A small number of agencies will see an upward adjustment if they have their own server farms or have significantly more computers than FTE counts. A few agencies run large 24x7 operations and these agencies will see a downward adjustment to reflect this type of shift work. NDIT will notify affected agencies and finalize the Technology Fee metric for those agencies by the end of June 2020.

ConnectND

NDIT bills each agency for the cost of ConnectND (the PeopleSoft financials and human resource applications). Each agency has a ConnectND fee on their data processing bill each month. As mentioned above, this fee has seen an overall reduction of cost that is reflected in the rates below. The amount each agency needs to budget is as follows:

- \$11.88 per month for each legislatively authorized FTE identified in the 2019-2021 Legislative Appropriations book.
- \$8.66 per month for every \$1 million appropriated to the agency as identified in the 2019-2021 Legislative Appropriations book.

Storage Rates

NDIT storage rates are expected to decrease from the 2019-2021 budget rates. Premium storage and basic storage will decrease for both on-demand and dedicated disk. TSM backup storage will remain the same. Agencies that have significant storage growth projections should meet separately with NDIT to determine if other storage pricing tiers will help to mitigate the cost impact of their storage growth. NDIT continues to explore storage options available from cloud providers.

Application Broker Fees

Agencies utilizing Software as a Service (SaaS) applications require a signed waiver from NDIT. If the waiver is approved NDIT will partner with agencies to broker the initial contract and ongoing vendor relationship. This may include periodic security reviews, architecture reviews or annual meetings to discuss product roadmaps. The rates associated with this service will be a surcharge of 3.5% of the annual amount paid to the vendor providing the solution. The fees will be billed monthly with a minimum of \$10 per month and a maximum of \$1,000 per month. Legacy SaaS applications will incur these charges as well. NDIT will work with the agencies in regards to these fees.

General Hosting Rates

NDIT will continue exploring cloud computing options, doing so within the current rate structure for server, disk and application hosting. Server fees will be reduced for the 2021-23 biennium. Application hosting will increase 10% and will account for the toolset upgrades for Oracle, SQL, MySQL, and .Net applications. Agencies should review their current usage levels and anticipate any areas of growth to determine increases for specific hosting services.

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NDIT will host Dynamics platforms and environments for Robotic Process Automation which will incur hosting fees on a deployment by deployment basis.

Website Hosting

NDIT deployed a State Website platform during the 2017-19 biennium. The ongoing cost of these sites will be covered in the Technology Fee as stated above.

For agencies not utilizing the State Website platform, the tiered costs are still in place. Agencies will have to budget for toolset upgrades for their sites in the 2019-21 biennium.

Legacy Application Surcharges

Several agencies are running older versions of SQL, Oracle or Websphere applications that have not been upgraded to a currently supported version. These agencies will need to upgrade those applications to current supported versions of these software products. Agencies who run on older versions should budget for a minimum surcharge of 25% to cover the operating costs of the legacy hosting environments. Agencies running SQL Server 2012 can incur an increased fee as of January 2022. Agencies with applications using Oracle 11g and 12c should plan to have upgrades completed by the start of the 2021-2023 biennium as support ends December 2020. Legacy surcharges may take effect after support has ended for applications running versions older than SQL 2014, Oracle 12c, and/or Websphere 9.0.

Mainframe

During the 2021-23 biennium there will be a continued effort by agencies to rewrite applications and migrate away from mainframe based applications. Due to the continued hardware, software and staff requirements of these systems, remaining agencies will see cost increases as usage is migrated off.

Basic Phone Service and Professional Display Phone

In an effort to simplify our rates, NDIT will be combining the Basic Phone Service and the voicemail charges for the 2021-23 Biennium. The Basic Phone service will increase to \$24/month and the \$5/month voicemail charge will be retired. Basic phone service includes a state specific phone number and a basic phone device. This service also allows the state phone number to be configured to deliver phone calls to an employee's cellular phone in addition to the employee's office phone. Rightfax services are included in the basic phone rate charged for that fax number. Some agencies have applications that generate a significant amount of incoming and outgoing fax traffic. These accounts will be reviewed and charged a tiered monthly application fee if their usage or high availability requirements necessitates any significant infrastructure upgrades or investments.

Micrographics Rates

NDIT will continue to coordinate micrographics services in state government but has outsourced the actual processing of microfilm due to equipment costs coupled with the declining use of microfilm in state government. Agencies using Micrographic services should contact NDIT to determine what rates to budget for the 2021-23 biennium.

These are the major changes NDIT will implement for the next biennium. Please review the detailed rate schedules for specific rate increases. If you have any questions, please feel free to give me a call at 328-4006.

**INFORMATION TECHNOLOGY DEPARTMENT
DATA PROCESSING PROJECTED RATES
FOR 2021-2023 BIENNIUM**

BILLING CODE	DESCRIPTION	2019-2021 BUDGET RATES	2021-2023 BUDGET RATES
11	Development	0.00/hr.	102.00/hr.
12	Business Analyst	0.00/hr.	125.00/hr.
13	Process Improvement	0.00/hr.	130.00/hr.
14	Project Management	0.00/hr.	130.00/hr.
15	Senior Analyst	114.00/hr.	retired
16	Contract Programming	Actual	Actual
17	Architect/Consulting	132.00/hr.	retired
19	Analyst II	85.00/hr.	retired
20	Analyst	76.00/hr.	retired
21	Project Manager	99.00/hr.	retired
22	Senior Project Manager	114.00/hr.	retired
23	Analyst III	99.00/hr.	retired
25	Server Administrator/Application Sup	99.00/hr.	retired
26	Business Analyst I	99.00/hr.	retired
27	Business Analyst II	114.00/hr.	retired
28	Business Analyst III	120.00/hr.	retired
30	Forms Design	76.00/hr.	76.00/hr.
33	Database Administrator	114.00/hr.	114.00/hr.
35	Records Management Fee	Varies	Varies
50	Micrographics Specialist	43.00/hr.	43.00/hr.
<u>IBM Enterprise Server:</u>			
120	2066 Batch CPU	1.11/sec.	1.11/sec.
122	2066 CICS CPU	1.11/sec.	1.11/sec.
124	2066 ADABAS CPU	1.11/sec.	1.11/sec.
126	2066 TSO CPU	1.11/sec.	1.11/sec.
131	Disk Storage	.001/track	.001/track
135	Tape Library Storage	3.10/tape/mo.	3.10/tape/mo.
<u>AS/400 Computer:</u>			
220	AS/400 Batch CPU	.77/sec.	.77/sec.
222	AS/400 Interactive CPU	.77/sec.	.77/sec.
231	AS/400 Disk Storage	10.00/GB	10.00/GB
<u>Client Technologies:</u>			
580	Desktop Support Service (Standard PC)	100.00/device	77.25/device
581	Desktop Support Service (High-end PC)	110.00/device	87.25/device
582	Desktop Support Service (Laptop)	130.00/device	98.50/device
583	Desktop Support Service (Tablet)	115.00/device	considered a laptop
584	Desktop Support Service (High-End Laptop)	Varies	Varies
601	Microsoft Productvity Suite	31.41/user	TBD
645	State Exchange Email/Exchange Online	5.30/account	5.30/account
800	Anti-virus Client (Political Sub's Only)	.92/client	.92/client
<u>Network:</u>			
950	WAN Access (DSL/Cable)	Actual	Actual
505	WAN Access (Broadband Premium Add-on)	175.00/port	175.00/port
505	WAN Access (Broadband Basic Add-on)	90.00/port	90.00/port
505	WAN Access (Broadband Residential Add-on)	45.00/port	45.00/port
510	WAN Access (ETS-10 base connectivity)	850.00/port	850.00/port
511	WAN Access (ETS-10 base connectivity)	1150.00/port	1150.00/port
520	Metro Area Network Access (Fiber)	Varies	Varies
521	Metro Area Network Access (Political Sub Fiber)	Varies	Varies
525	Managed Firewall Service	Varies	Varies
570	Technology Fee	66.25/FTE	68.25/FTE
650	VPN Client (Political Sub)	5.00/client	5.00/client
655	VPN Client - Netmotion (session persistence)	9.25/client	9.25/client
668	CMA Desktop Video	8.50/client	8.50/client

**INFORMATION TECHNOLOGY DEPARTMENT
DATA PROCESSING PROJECTED RATES
FOR 2021-2023 BIENNIUM**

BILLING CODE	DESCRIPTION	2019-2021 BUDGET RATES	2021-2023 BUDGET RATES
	<u>Hosting Services:</u>		
620	EDMS User Fee (includes BPM effective 07/2021)	30.75/user	30.75/user
621	EDMS User with BPM Add-on Fee	35.75/user	retired
624	EDMS ILINX Email Import	3.60/mail box	3.60/mail box
625	EDMS ILINX Data Capture	91.50/concurrent license	135.50/concurrent license
635	ADA Compliance Sheriff	50.00/month	50.00/month
640	Email Encryption	1.80/user	1.80/user
660	Email Quota (Large Mail Storage)	10.00/account	retired
680	PowerSchool Hosting	0.83/student	0.83/student
690	K-12 Data Warehouse Hosting	.04/student	.04/student
754	Cognos Application Hosting	Application Fee	10% increase
757	Cognos Analytics Explorer	63.35/user	69.70/user
759	Cognos BI Administrator User Fee	264.00/user	290.40/user
770	Master Client Index	0.0132/record	0.0173/record
780	Safenet Multi-Factor Authentication	4.30/user	4.30/user
815	Server Room (Includes Device Conn.)	100.00/server	100.00/server
853	Active Directory User Fee	1.35/user	1.35/user
860	Oracle Application Hosting	Tiered	10% increase
861	Websphere Application Hosting	Tiered	10% increase
862	SQL Application Hosting	Tiered	10% increase
866	Dedicated Intel Virtual Server Hosting	335.00/server	300.00/server
866	SRM Disaster Recovery Server	245.00/server	200.00/server
866	Dedicated Intel Physical Server Hosting	\$620-\$850/server	\$620-\$850/server
870	Web Hosting (Tier 1 - \$20 / Tier 2 - \$50 / Tier 3 - \$345)	Tiered	Tiered
879	Connect ND Hosting (See Budget Instructions)	Tiered	Tiered
881	Disk Storage – Premium (on demand)	.22/GB	.18/GB
882	Disk Storage – Basic (on demand)	.18/GB	.12/GB
883	Disk Storage – File Share (on demand)	.10/GB	.10/GB
891	Disk Storage – Premium (dedicated)	150.00/TB	120.00/TB
892	Disk Storage – Basic (dedicated)	130.00/TB	95.00/TB
893	Disk Storage – File Share (dedicated)	80.00/TB	80.00/TB
894	Disk Storage - High Volume/Low Use (dedicated)	50.00/TB	50.00/TB
888	TSM Disk Backup	.04/GB	.04/GB
910	Application Broker Fee ¹	3.5% / application	3.5% / application
950	Miscellaneous Charges	Actual Cost	Actual Cost
	All rates include 4.9% overhead charge		

**INFORMATION TECHNOLOGY DEPARTMENT
DATA PROCESSING PROJECTED RATES
FOR 2021-2023 BIENNIUM**

BILLING CODE	DESCRIPTION	2019-2021 BUDGET RATES	2021-2023 BUDGET RATES
	<u>One-time Installation Charge:</u>		
	<u>For Switch Installation:</u>		
	Ethernet	125.00/Port	125.00/Port
	<u>EPMO Charges for Large Projects:</u>		
	For every \$500,000 increment of project cost the fee is \$2,500 with a \$25,000 maximum charge per fiscal year	\$2,500.00 increments	\$2,500.00 increments
	<u>Other One-Time Charges:</u>		
	Application Load Testing - Original	500.00 - 1,000.00/test	500.00 - 1,000.00/test
	Application Load Testing - Secondary	100.00 - 500.00/test	100.00 - 500.00/test
	Cognos Analytics Explorer	2,070.00/User	2,277.00/User
	Cognos BI Administrator	6,650.00/User	7,315.00/User
	Dedicated Server Install (standard virtual server)	1,050.00/server	1,050.00/server
	Dedicated Server Install (dedicated hardware)	Varies based on config.	Varies based on config.
	Desktop Support Service (Standard PC)	1,350.00/user	1,150.00/user
	Desktop Support Service (High-end PC)	1,625.00/user	1,550.00/user
	Desktop Support Service (Laptop)	1,825.00/user	1,695.00/user
	Desktop Support Service (Tablet)	2,310.00/user	considered a laptop
	Desktop Support Service (High-End Laptop)	Varies	Varies
	Disk Storage - Premium Dedicated	2,490.00/TB	1,120.00/TB
	Disk Storage - Basic Dedicated	1,980.00/TB	740.00/TB
	Disk Storage - File Share Dedicated	1,450.00/TB	990.00/TB
	Disk Storage - High Volume/Low Use Dedicated (10TB min.)	1,500.00/TB	1,500.00/TB
	EDMS User Install	275.00/User	275.00/User
	EDMS ILINX Data Capture	1,115.00/concurrent license	1,115.00/concurrent license
	EDMS ILINX Email Import	106.50/mail box	106.50/mail box
	Safenet Multi-Factor Authentication	15.00/hard token	15.00/hard token
	Azure Multi-Factor Authentication	0.00/hard token	75.00/hard token
	Secure Email	22.00/User	22.00/User
	Wireless Access Point	750.00/access point	750.00/access point
	VPN - Netmotion Install	230.00/user	230.00/user
	WAN Access (Broadband, Premium, or Basic)	970.00/circuit	970.00/circuit
	¹ The rates will be a surcharge of 3.5% of the annual amount paid to the vendor providing the solution. The fees will be billed monthly with a minimum of \$10 per month and a maximum of \$1,000 per month		

**INFORMATION TECHNOLOGY DEPARTMENT
TELECOMMUNICATIONS PROJECTED RATES
FOR 2021-2023 BIENNIUM**

BILLING CODE	DESCRIPTION	2019-21 BUDGET RATES	2021-23 BUDGET RATES
10	Telephone Systems Analyst	84.00/hr.	84.00/hr.
20	Network Analyst	84.00/hr.	84.00/hr.
30	Wiring Technician	76.00/hr.	76.00/hr.
100	Phone-Basic Service (per circuit)	23.00/mo.	24.00/mo.
110	Analog Port	15.00/mo.	20.00/mo.
130	Phone Extension	8.00/mo.	8.00/mo.
158	Voice Mail	5.00/mo.	Included in Phone-Basic Service
164	Call Center Agent	15.00/mo.	15.00/mo.
166	Mobile Suite Cell Phone	2.00/mo.	2.00/mo.
168	Mobile Suite Smart Phone	2.00/mo.	2.00/mo.
170	Call Recording	10.50/user	10.50/user
210	In-State Directory Assistance	2.10/call	2.10/call
211	Out-of-State Directory Assistance	2.10/call	2.10/call
250	Calling Card Calls	Actual Cost	Actual Cost
300	Long Distance	.045/min.	.045/min.
340	International Long Distance	.50/min.	.50/min.
360	800 Service	.05/min.	.05/min.
375	Conference Bridge Long Distance	.045/min.	.045/min.
380	Avaya AAC7 Conference Calling	16.75/conf. number	16.75/conf. number
400	Interactive Voice Response (IVR)	150.00/port	150.00/port
950	Miscellaneous	Actual Cost	Actual Cost
<u>One-Time Installation Charges</u>			
	Call Center Agent	500.00/agent	500.00/agent
	Add-on Module	175.00/phone	175.00/phone
	Call Recording Set-up	375.00/user	375.00/user
	Avaya AAC7 Conference Calling	155.00/user	155.00/user
All rates include 4.9% overhead charge.			