STATE OF NEVADA
DEPARTMENT OF ADMINISTRATION
Administrative Services Division
209 E Musser, Rm 304 | Carson City, NV 89701
Phone: (775) 684-0273 | **Fax** (775) 684-0275

M E M O R A N D U M

DATE: July 23, 2014

TO: EITS Mainframe Customers

FROM: Evan Dale, Administrator
Administrative Services Division

SUBJECT: FY15 EITS Mainframe Services and Print Management Rate Adjustments

Enterprise Information Technology Services (EITS) operates as an Internal Service Fund. They derive revenues from information technology services provided other state agencies. Rates for these information technology services are based on budgeted expenses and budgeted projected customer utilizations. If EITS experiences significant unbudgeted expenses, they may need to increase rates to offset these costs. For FY15, this is the situation for mainframe services.

Due to an increase in the caseload being processed by the Division of Welfare and Supportive Services (DWSS), EITS needs to upgrade the existing mainframe computer to accommodate this growth. EITS had not budgeted for a mainframe upgrade this biennium; therefore, existing rates do not reflect these unbudgeted expenses. Additionally, the same 1.4 normalization factor discussed in my memo of February 5, 2014, needs to be included in the FY15 rate adjustments. The 1.4 normalization adjustments do not increase the amount charged by EITS as utilizations are proportionately reduced. With the mainframe upgrade, customers should see a reduction in usage since the processing speed will increase. Therefore, the utilizations used to compute the revised FY15 rates take this utilization efficiency into account. The revised FY15 mainframe services rates are:

- **Batch (per CPU minute): Final revised FY15 rate: $34.03**
  - Change based on 1.4 normalization: From $20.58 to $28.81.
  - Change based on mainframe upgrade: From $28.81 to $34.03
- **TSO (per CPU minute): Final revised FY15 rate: $22.33**
  - Change based on 1.4 normalization: From $13.12 to $18.37.
  - Change based on mainframe upgrade: From $18.37 to $22.33
- **CICS (per CPU minute): Final revised FY15 rate: 8.54**
  - Change based on 1.4 normalization: From $5.22 to $7.31.
  - Change based on mainframe upgrade: $7.31 to $8.54
- **DB2 (per CPU minute): Final revised FY15 rate: $98.95**
  - Change based on 1.4 normalization: From $63.73 to $89.22.
  - Change based on mainframe upgrade: From $89.22 to $98.95

Additionally as discussed in my memo of February 5, 2014, for FY14/15 there was an error in utilizations entered in NEBS for all EITS's Print Management customers. This error was caused as a result of a shift from "green bar" line print to laser page print. EITS used a conversion factor of 66 lines per page to account for page print; however, the conversion was unnecessary since the actual lines being printed were already accounted for in the line count. Because of this, Print Management utilizations in NEBS were overstated which resulted in the rates for FY14 and 15 being understated. Accordingly, EITS was not collecting sufficient revenue to cover their costs of providing this service. Therefore, it's necessary to carry the FY14 rate increase into FY15. This rate does not reflect any new unbudgeted costs. The FY15 rate is:

- **Print Management (per 1000 lines): Increase from $0.82 to $2.30.**

If you have questions regarding these EITS mainframe or print management rate changes, you may contact Chris Apple (ASD – ASO III) at (775) 684-5805 or clapple@admin.nv.us

cc: Department of Administration: Director and Deputy Directors
   Executive Budget Office: All Budget Analysts
   Enterprise Information Technology Services: CIO, Deputy CIO, Facility Manager, and EITS Help Desk
   Administrative Services Division: Budget Analysts, Billing & Accounts Receivables Unit, and Accounts Payable Account Technicians