



Year 2: Data Center Services Program

Contract-to-Date

Cost Assessment Report

May 19, 2009

Prepared for State of Texas, Department of Information Resources

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Executive summary

This report summarizes the assessment of State of Texas Data Center Services (DCS) contract costs for the contract to date, which encompasses the period from April 2007 through February 2009. The executive summary comprises three subsections: purpose, cost assessment and results.

Purpose

Early in 2005, the Texas Legislature directed the Department of Information Resources (DIR) to establish consolidated State-wide technology centers. In response to the legislative mandate, DIR created the DCS Program in July 2005. On March 31, 2007, following a competitive procurement and award, the current Service Provider assumed responsibility for providing data center and disaster recovery support services to the agencies participating in the DCS Program.

In April 2008, DIR engaged Grant Thornton to develop a repeatable methodology to fairly and objectively measure the DCS contract savings and to assess the costs for the initial contract period from April through August 2007 (the stub period) and for the first two quarters of contract Year 1. DIR subsequently engaged Grant Thornton in November 2008 to assess DCS costs for the contract to date through August 2008 using the same methodology, and again in April 2009 for the contract to date through February 2009. This report presents the contract-to-date results through February 2009.

The scope of this review is limited to DCS contract and contract-related costs compared to pre-outsourcing costs at the enterprise level. The categories of pre-outsourcing costs included in this review were established at the time of contract execution and are compared to actual costs in the same established categories. Additional costs asserted by the participating agencies that are outside of the established categories are not included within the scope of this review to ensure an “apples to apples” comparison. All analysis and calculations performed as part of this cost assessment are based on information and source data provided by DIR. The assessment includes costs DIR designated as the principal cost components of the DCS Program. Grant Thornton did not verify or validate the source data during the assessment.

Cost assessment

Grant Thornton implemented a scorecard methodology to assess DCS costs. First, Grant Thornton linked the current Service Provider’s invoices and DIR-provided costs, such as enterprise license recovery and network connectivity costs, into a scorecard to develop a cost summary. The cost summary includes all DIR-designated contract and contract-related DCS Program costs with two exceptions, non-savings credits and organic growth. Non-savings credits are credits on the Service Provider’s invoices to offset costs to the State and include

service level, deliverable, contingency and delayed-start employee credits. Although service level and deliverable credits technically represent a savings to the State, they are not counted as such because missed performance targets may result in other intangible costs, such as impacted timelines, increased workload and/or additional resource requirements. The Service Provider incurred contingency and delayed start employee credits during the start-up period. These represent pass-through costs rather than savings. Organic growth is sustained growth above defined Resource Unit Baselines and is excluded from the cost summary because the pre-outsourcing costs that serve as the baseline for the realized savings calculation were based on static baseline services, with no growth assumption.

Grant Thornton then compared the cost summary to the pre-outsourcing costs to determine whether the DCS Program resulted in savings compared to the cost of performing the function prior to implementing the DCS contract.

Contract-to-date results

The contract-to-date pre-outsourcing cost was projected to be \$266,022,753. Actual DCS costs were \$256,314,668. The actual costs were \$9,708,085 (3.65 percent) lower than the pre-outsourcing costs for the same time period, as shown in Figure E-1.

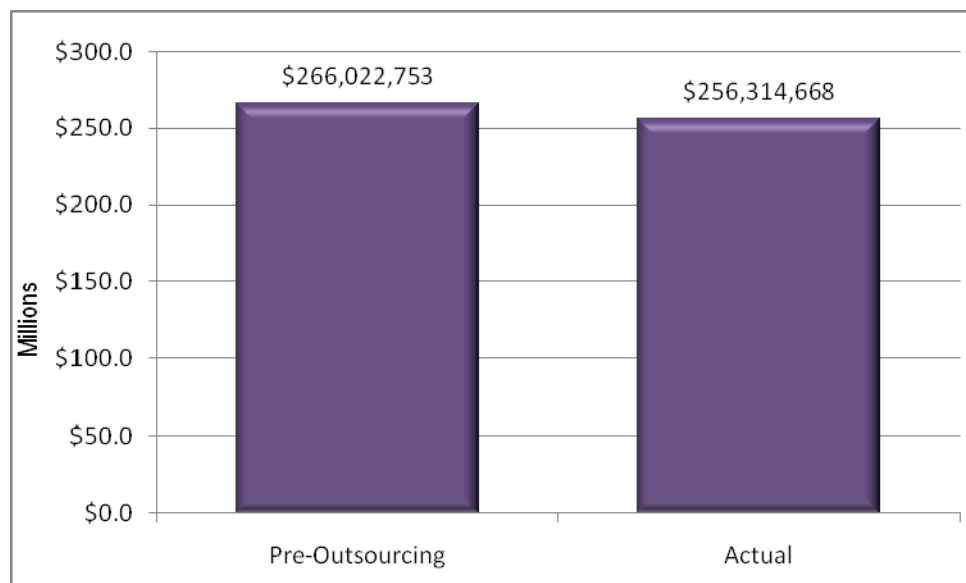


Figure E-1: Contract-to-Date Cost Summary

The \$9.7 million savings were direct contract savings for the contract to date. However, several Consolidation and Transformation milestones that were anticipated to be accomplished by this point in the contract have not been completed; therefore, the contractor has not been paid for them. These costs, totaling approximately \$1.4 million, will be incurred when the milestones are completed. Additionally, these delays may have additional impact in future years of the contract if the milestones are not accomplished before the end of Year 2. A significant amount of projected contract savings are based on outcomes related to transformation (e.g., lower rates, reduction of unused storage, server consolidation). DIR is aware that continued delays may negatively impact future savings.

Grant Thornton also calculated the savings resulting from organic growth during the contract-to-date period. Organic growth is identified in Resource Units that experience a sustained

increase in consumption lasting longer than 3 months. The cost of this growth, based on the Service Provider's blended rates, is \$8,183,807. When the same amount of Resource Unit growth is calculated using pre-outsourcing rates instead of using the Service Provider's blended rates, the pre-outsourcing cost of the same growth would be \$9,500,064. This equates to \$1,316,256 (13.86 percent) in savings for organic growth. This savings calculation is a conservative estimate of the total savings because neither hardware service charge (HSC) growth (\$14,634,566) nor Requests for New Service (\$11,316,110) are considered in this calculation. In the future, the Service Provider's blended rates will continue to decrease for Resource Units experiencing growth and, as a result, the DCS Program should generate increased savings on organic growth.

Overall, the assessment of DCS Program contract and contract-related costs for the period from April 2007 through February 2009 shows that DCS costs are \$9.7 million (3.65 percent) lower than the cost of performing the function prior to implementing the DCS contract. Additionally, for Resource Units experiencing organic growth, the cost of the additional Resource Unit consumption is \$1,316,256 (13.86 percent) lower than it would have been prior to outsourcing.

Section 1: Introduction

This report presents cost performance information for the Data Center Services (DCS) Program for the contract to date, which encompasses the period from April 2007 through February 2009. This section describes the background of the DCS Program and of the DIR cost assessment initiative, and presents the report organization.

1.1 Background

The DCS Program began in 2005 when the Texas Legislature directed DIR to establish State-wide technology centers and to require agencies to transfer their data center and disaster recovery services to these consolidated data centers. DIR initially identified 28 agencies to participate in the data center consolidation and began collecting data from those agencies to establish financial and resource baselines.

In March 2006, DIR kicked off a competitive procurement to obtain consolidated data center and disaster recovery support services for a 7-year period (April 2007 through August 2014), with an additional optional 3-year extension. To support the effort, DIR developed a pre-outsourcing cost baseline and projected the savings that might result from outsourcing. DIR estimated that projected enterprise savings over the pre-outsourcing costs would be \$178 million over a 7-year period of performance.

On March 31, 2007, the current Service Provider assumed responsibility for providing data center and disaster recovery support services, and for operating the servers, mainframes and other in-scope equipment owned or leased by the State, with the exception of equipment then operated by the previous Service Provider. The current Service Provider was scheduled to take control of that equipment beginning in State fiscal year 2008. As program implementation began, one agency – the General Land Office – was exempted from participation in the DCS Program and two more – the Texas Water Development Board (TWDB) and the Department of Family Protective Services (DFPS) – delayed transition. As a result, only 25 agencies participated in the DCS Program as of April 2007, with TWDB coming onboard in May 2007 and DFPS partially joining in January 2008.

To determine how effective the DCS Program has been at achieving the anticipated financial savings during the initial contract periods, DIR engaged Grant Thornton in April 2008 to develop a repeatable methodology that could be used to fairly and objectively assess DCS costs. Grant Thornton developed a methodology that uses a scorecard to summarize DCS costs and

to compare them to pre-outsourcing costs to identify realized savings. The scorecard presents the data and findings in an understandable and transparent format.

Grant Thornton initially implemented the methodology to assess costs during the stub period and the first two quarters of contract Year 1 and again in November of 2008 to assess costs through the end of contract Year 1. In April 2009, DIR engaged Grant Thornton to assess contract-to-date costs through February 2009 using the same approach. This report describes this effort and presents the results.

The scope of this review is limited to DCS contract and contract-related costs compared to pre-outsourcing costs at the enterprise level only. The categories of pre-outsourcing costs included in this review were established at the time of contract execution and are compared to actual costs in the same established categories. Additional costs asserted by the participating agencies that are outside of the established categories are not included within the scope of this review to ensure an “apples-to-apples” comparison. All analysis and calculations performed as part of this cost assessment are based on information and source data provided by DIR. The assessment includes costs DIR designated as the principal cost components of the DCS Program. Grant Thornton did not verify or validate the source data during the assessment.

1.2 Document organization

This document comprises the following sections and appendices:

- Section 1: Introduction– Briefly introduces the report, the DCS Program and the document organization.
- Section 2: Key terms and definitions – Defines key terms used in this report.
- Section 3: Cost assessment methodology – Presents an overview of the cost assessment methodology.
- Section 4: Contract-to-date results – Presents the summarized results for the contract to date.
- Appendix A: Cost methodology bridge – Displays the cost methodology bridge for April 2007 to February 2009.
- Appendix B: DCS Program Resource Unit rates – Displays the Resource Unit rates by month for April 2007 through February 2009.
- Appendix C: DCS scorecard (contract to date) – Displays the full scorecard for April 2007 through February 2009.

Section 2: Key terms and definitions

Section 2 defines terms specific to the DCS Program that are used in this report. These terms are important to understanding the intricacies of the DCS Program and the cost assessment methodology employed to assess its performance. Table 2-1 identifies and defines terms used in this report.

Term	Description
Additional Resource Charge (ARC)	Incremental charges established for use of services above the monthly Resource Unit Baselines established by the contract.
Blended Rate	Monthly Service Provider unit rates, calculated by dividing resource the Service Provider's actual monthly charge by the actual Resource Unit consumption.
Contingency Resource Credit	Monthly credits from the Service Provider to DIR when State employees perform services defined in the Master Services Agreement (MSA). The Service Provider reimburses the State for these resources at 150 percent of the employees' hourly labor rates.
Cost Methodology Bridge	Primary data input sheet in the DCS scorecard workbook. Contains the Service Provider's invoice data, other DCS Program costs and organic growth calculations. Provides DCS cost information by month, quarter, year and contract-to-date.
Cyclical Fluctuation	Typical ebbs and flows of Resource Unit consumption, which should occur at regular intervals and are not organic growth.
Deliverable Credit	Monetary amounts that the Service Provider is obligated to apply against monthly charges in the event of critical deliverable defaults.
DIR Cost Recovery Rate	Rate DIR charges customers for services provided by DIR to administer the DCS Program. The rate is applied to specified monthly fees charged by the current Service Provider.

Term	Description
Network Connectivity Charge	Network costs associated with the data centers. DIR estimated the network connectivity charges when developing the projected savings.
Organic Growth	Observed and sustained growth in demand for data center services. Organic growth in resource consumption is sustained over time; otherwise it would be a baseline adjustment or cyclical fluctuation. Organic growth can represent both new data center services as well as long-term growth in current data center services. Additionally, growth in HSC and requests for new services are counted towards organic growth totals.
Pre-outsourcing Costs	The cost of data center services performed by the 28 agencies prior to outsourcing.
Resource Unit	A measurable device, unit of consumption or other unit of data center services resource utilization that is used to calculate Charges.
Reduced Resource Credit (RRC)	Incremental credits for the use of services below the monthly Resource Unit Baselines established by the contract.
Reimbursement Credits	Credits from the Service Provider to DIR for use of material owned by third parties provided under license or lease to the current Service Provider, DIR or any DIR customer and used to provide or receive DCS Program services. These costs are part of the transition process to a new Service Provider and will not occur after the Stub Period (April through August 2007) with the exception of new customers.
Request for New Services Charge	Costs for increases in data center services. Considered organic growth as they represent shifts in demand for services. These are charges for additional services outside of the standard Resource Units.
Service Level Credits	Monetary amounts that the Service Provider is obligated to apply against monthly charges in the event of service-level defaults.

Table 2-1: Key terms and definitions

Section 3: Cost assessment methodology

A best practice in outsourcing is to continually assess the cost performance of a contracting initiative. A simple and effective approach to assessing cost performance is to calculate savings by comparing costs to a previously defined baseline. To perform the DCS Program cost assessment, Grant Thornton implemented a three-step scorecard methodology based on this approach. The three steps are collecting data, populating the DCS scorecard and calculating savings. This section describes these steps in detail.

3.1 Step 1: Collect data

Grant Thornton first collected from DIR the following data associated with DCS contract and contract-related costs:

- Contract costs:
 - current Service Provider's monthly invoices
 - current Service Provider's blended rates
 - updated Resource Unit consumption rates
 - contract amendments that may affect costs
- Contract-related costs:
 - updates to pre-outsourcing costs or projected savings
 - network connectivity costs
 - enterprise license recovery costs
 - space reclamation and energy savings
 - application remediation and desktop modification estimates
 - State sales tax revenue generated from the DCS contract

DIR provided data aggregated at the enterprise level, not agency-specific data. The accuracy of the assessment depends on accurate, actual data. For this analysis, application remediation and desktop modification costs were estimates, while all other data represented actual costs. The Service Provider's blended rates and updated Resource Unit consumption rates were snapshots in time due as DIR retroactively updates these rates monthly based on the Service Provider's invoices. Grant Thornton did not verify or validate this source data during the assessment.

3.2 Step 2: Populate DCS Program scorecard

Grant Thornton populated the DCS Program scorecard using data collected in Step 1. Grant Thornton electronically linked the data into the Cost Methodology Bridge (Appendix A) in the scorecard so that the data origins can be traced easily. As illustrated in Figure 3-1, Grant Thornton then removed the two invoice items that do not count toward total costs: non-savings credits and organic growth.

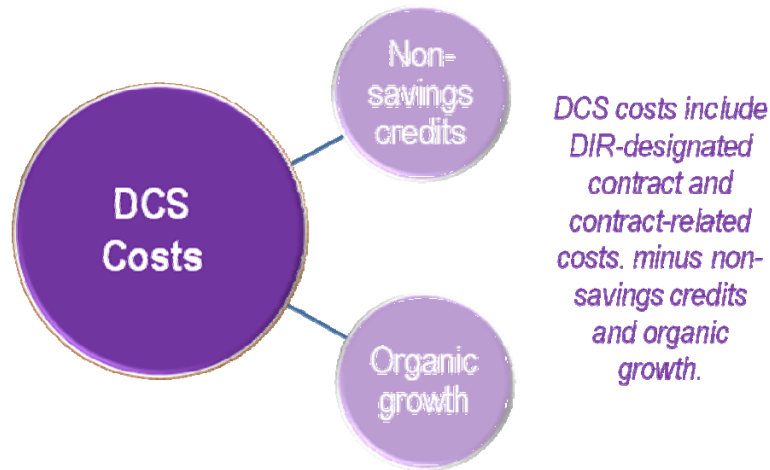


Figure 3-1: DCS costs

Non-savings credits are excluded because they do not generate savings for the State. Non-savings credits comprise delayed-start employee credits, contingency credits, service level credits and deliverable credits. The current Service Provider generated delayed-start employee credits and contingency credits during the start-up period as they ramped up staffing. Service-level and deliverable credits are the Service Provider's credits to the State for missing performance targets. Although service-level and deliverable credits technically represent savings to the State, they are not counted as such because missed performance targets may result in other intangible costs, such as impacted timelines, increased workload and/or additional resource requirements. Table 3-1 illustrates the non-savings credits for the contract to date.

Non-Service Credit	Contract-to-Date Amount
Delayed Start Employee Credits	\$ 12,843
Contingency Resources	\$ 1,696,135
Service Level Credits	\$ 6,056,698
Deliverable Credits	\$ 170,000
Total	\$7,935,676

Table 3-1: Non-savings credits

Organic growth is the increase in Resource Unit Consumption above the baselines set when the DCS Program began in April 2007. Organic growth occurred in three areas: requests for new service, Hardware Service Charges (HSC) and Resource Unit consumption. Requests for New

Service are requests for services outside of previously agreed-upon levels of service, that are materially different from Services already being provided and that require materially different levels of effort or resources from the current Service Provider. The Service Provider's charges for these requests counted toward organic growth. HSC costs above the established HSC baseline also counted toward organic growth.

Organic growth in Resource Unit consumption was calculated by first identifying Resource Units with sustained growth lasting longer than 3 months. Within these Resource Units, Grant Thornton multiplied the amount of monthly consumption over the baseline by the Service Provider's blended rates to determine the cost of Resource Unit growth for each month. Organic growth is excluded from the cost summary because the pre-outsourcing costs that serve as the baseline for the realized savings calculation were based on static baseline services, with no growth assumption. See Section 4.2 for organic growth results.

3.3 Step 3: Calculate savings

Grant Thornton calculated savings by comparing the DCS costs calculated in Step 2 to pre-outsourcing costs to determine whether there were savings when compared to the cost of performing data center and disaster recovery services before implementing the DCS contract.

When assessing the savings results, Grant Thornton is unable to pinpoint precise areas of higher or lower costs because the pre-outsourcing costs were captured using a different business model than is used under the current DCS contract.

Section 4: Contract-to-date cost assessment

The contract-to-date cost assessment covers the period from April 2007 through February 2009. Each subsection below describes an element important to understanding the total cost performance for the DCS Program, including the realized savings calculation and organic growth savings calculation.

4.1 Savings calculation

For the data center services provided under the contract to date, the pre-outsourcing cost was projected to be \$266,022,753. The actual costs of the services provided cost \$256,314,668, which is \$9,708,085 (3.65 percent) lower than the pre-outsourcing costs. Table 4-1 displays the costs compared to the estimated pre-outsourcing costs for the contract to date.

Cost Type	Contract-to-Date Total
Total Pre-outsourcing Cost of Base Services (Pre-outsourcing costs)	\$266,022,753
Total DCS Costs	\$256,314,668
<i>Realized Savings</i>	<i>\$9,708,085</i>
Percent Savings	3.65%

Table 4-1: Savings compared to pre-outsourcing costs

The \$9.7 million savings were direct contract savings for the contract to date. However, several Consolidation and Transformation milestones that were anticipated to be accomplished by this point in the contract have not been completed; therefore, the contractor has not been paid for them. These costs, totaling approximately \$1.4 million, will be incurred when the milestones are completed. Additionally, these delays may have additional impact in future years of the contract if the milestones are not accomplished before the end of Year 2. A significant amount of projected contract savings are based on outcomes related to transformation (e.g., lower rates, reduction of unused storage, server consolidation). DIR is aware that continued delays may negatively impact future savings.

When assessing the savings results, Grant Thornton is unable to pinpoint precise areas of higher or lower costs because the pre-outsourcing costs were captured using a different business model than is used under the current DCS contract.

Organic growth

Although several Resource Units experienced reduced Resource Unit consumption, 22 of the 44 Resource Units experienced a sustained increase in consumption lasting longer than 3 months. Grant Thornton, in conjunction with the DIR team, categorized this increased consumption as organic growth. The cost of organic growth is calculated by multiplying the Resource Unit consumption by the current Service Provider's blended rates. Based on this calculation, the DCS Program experienced organic growth totaling \$8,183,807. When the same amount of Resource Unit growth is calculated using pre-outsourcing rates instead of using the Service Provider's blended rates, the pre-outsourcing cost of the same growth would be \$9,500,064. This equates to \$1,316,256 (13.86 percent) in savings for organic growth (see Table 4-2).

Cost Type	Contract-to-Date Total
Total Pre-outsourcing Growth Cost	\$9,500,064
Total Current Growth Cost	\$8,183,807
<i>Total Organic Growth Savings</i>	<i>\$1,316,256</i>
Percent Savings	13.86%

Table 4-2: Organic growth savings

This savings calculation is a conservative estimate of the total savings because neither HSC growth (\$14,634,566) nor Requests for New Service (\$11,316,110) are considered in this calculation. These costs are excluded from the calculation because there is no method available to approximate these costs for pre-outsourcing and, therefore, there cannot be an “apples-to-apples” comparison between pre-outsourcing costs and current costs for these items.

In the future, the Service Provider's blended rates will continue to decrease for Resource Units experiencing growth. As a result, the DCS Program should experience increased savings on organic growth.

4.2 Summary

The assessment of DCS Program contract and contract-related costs for the period from April 2007 through February 2009 shows that DCS costs are \$9.7 million (3.65 percent) lower than the cost of performing the function prior to implementing the DCS contract. Additionally, for Resource Units experiencing organic growth, the cost of the additional Resource Unit consumption is \$1,316,256 (13.86 percent) lower than it would have been prior to outsourcing.

Appendix A: Cost methodology bridge

	April-07		May-07		June-07	
	Actual Cost Summary	Adjusted Cost Summary	Actual Cost Summary	Adjusted Cost Summary	Actual Cost Summary	Adjusted Cost Summary
Base Services						
Base Services	\$5,879,533	\$5,879,533	\$10,183,573	\$10,183,573	\$8,031,553	\$8,031,553
ARC/RRC	(\$784,185)	(\$784,185)	(\$798,717)	(\$798,717)	(\$753,893)	(\$753,893)
Other Charges and Credits	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal - Base Services	\$5,095,348	\$5,095,348	\$9,384,796	\$9,384,796	\$7,277,660	\$7,277,660
Other Costs						
3rd Party Reimbursement Credits - Attachment 4	(\$78,174)	\$0	(\$1,110,776)	\$0	(\$84,752)	\$0
Delayed Start Employee Credits - Attachment 4	\$0	\$0	\$0	\$0	(\$18,301)	\$0
Contingency Resources - Attachment 4	\$0	\$0	\$0	\$0	(\$691,251)	\$0
Agency Retained Software - Attachment 8	\$0	\$0	\$0	\$0	\$0	\$0
Consolidated Data Center Facility Fee	\$0	\$0	\$0	\$0	\$0	\$0
Purchase of Northrop Grumman Owned Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Request for Service - Attachment 7	\$47,275	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6	(\$272,601)	\$0	(\$390,622)	\$0	(\$455,763)	\$0
Service Level Credits - Attachment 6A (Apr 07 Services)	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6B (May 07 Services)	\$0	\$0	(\$111,465)	\$0	\$0	\$0
Service Level Credits - Attachment 6C (June 07 Services)	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6D (July 07 Services)	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6E (Aug 07 Services)	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6F (Sep 07 Services)	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6G (Oct 07 Services)	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6H (Nov 07 Services)	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6I (Dec 07 Services)	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6J (Jan 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6K (Feb 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6L (Mar 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6M (Apr 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6N (May 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6O (Jun 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6P (Jul 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6Q (Aug 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6R (Sep 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6S (Oct 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6T (Nov 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6U (Dec 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6V (Jan 09 Services)	\$0	\$0	\$0	\$0	\$0	\$0
Deliverable Credit	\$0	\$0	(\$10,000)	\$0	\$0	\$0
Infrastructure Stack Software True Up Adjustment 1	\$0	\$0	\$0	\$0	\$0	\$0
Hardware Service Charge	\$0	\$0	\$707,075	\$707,075	\$707,075	\$707,075
Transition / Transformation Services - Attachment 8	\$0	\$0	\$0	\$0	\$0	\$0
HSMA	\$0	\$0	\$0	\$0	\$0	\$0
Other Costs Subtotal	(\$303,500)	\$0	(\$915,788)	\$707,075	(\$542,992)	\$707,075
Total IBM Invoice	\$4,791,848	\$5,095,348	\$8,469,009	\$10,091,871	\$6,734,668	\$7,984,735
Outsourcing Costs						
DIR Cost Recovery	\$150,313	\$143,498	\$297,710	\$292,291	\$235,550	\$230,095
Net Enterprise License Recovery Impact	\$59,600	\$59,600	\$59,600	\$59,600	\$59,600	\$59,600
State Compensation Payout	\$286,262	\$286,262	\$286,262	\$286,262	\$286,262	\$286,262
Network Connectivity to Provider	\$0	\$0	\$0	\$0	\$9,500	\$9,500
Space Reclamation and Energy Savings	\$0	\$0	\$0	\$0	\$0	\$0
Application remediation and desktop modifications	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
State of Texas tax revenue	(\$187,432)	(\$178,935)	(\$187,432)	(\$184,020)	(\$187,432)	(\$183,092)
Other Costs of Outsourcing Total	\$358,743	\$360,425	\$506,140	\$504,132	\$453,480	\$452,365
Organic Growth						
Total Organic Growth Cost	N/A	\$230,994	N/A	\$183,719	N/A	\$184,897
Request for New Service Costs	N/A	\$47,275	N/A	\$0	N/A	\$0
RFNS (UNISYS)						
HSC - New Application Server Hardware	N/A	\$9,919	N/A	\$9,919	N/A	\$9,919
HSC - Software	N/A	\$173,800	N/A	\$173,800	N/A	\$173,800
HSC - Maintenance	N/A	\$0	N/A	\$0	N/A	\$0
HSC - Assumed Equipment Leases	N/A	\$0	N/A	\$0	N/A	\$0
Percent of Total Charges	N/A	5%	N/A	2%	N/A	2%
Other Costs of Outsourcing	N/A	\$6,814	N/A	\$5,420	N/A	\$5,454
DIR Cost Recovery	N/A	\$6,814	N/A	\$5,420	N/A	\$5,454
Agency Cost of Outsourcing	N/A	\$237,808	N/A	\$189,139	N/A	\$190,351
Enterprise Adjustments	N/A	(\$8,497)	N/A	(\$3,412)	N/A	(\$4,340)
State of Texas tax revenue	N/A	(\$8,497)	N/A	(\$3,412)	N/A	(\$4,340)
DCS Program Organic Growth Costs	N/A	\$229,311	N/A	\$185,726	N/A	\$186,011
Organic Growth Total		\$229,311		\$185,726		\$186,011
Total Costs of the DCS Program	\$5,150,590	\$5,226,463	\$8,975,149	\$10,410,278	\$7,188,147	\$8,251,089

	July-07		August-07		Stub Period	
	Actual Cost Summary	Adjusted Cost Summary	Actual Cost Summary	Adjusted Cost Summary	Actual Cost Summary	Adjusted Cost Summary
Base Services						
Base Services	\$8,031,553	\$8,031,553	\$8,031,553	\$8,031,553	\$40,157,765	\$40,157,765
ARC/RRC	(\$751,738)	(\$751,738)	(\$888,333)	(\$888,333)	(\$3,976,925)	(\$3,976,925)
Other Charges and Credits	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal - Base Services	\$7,279,815	\$7,279,815	\$7,143,220	\$7,143,220	\$36,180,840	\$36,180,840
Other Costs						
3rd Party Reimbursement Credits - Attachment 4	\$0	\$0	(\$6,963,286)	\$0	(\$8,236,989)	\$0
Delayed Start Employee Credits - Attachment 4	(\$10,278)	\$0	\$18,581	\$0	(\$9,999)	\$0
Contingency Resources - Attachment 4	(\$195,077)	\$0	(\$383,692)	\$0	(\$1,270,020)	\$0
Agency Retained Software - Attachment 8	\$0	\$0	\$59,658	\$59,658	\$59,658	\$59,658
Consolidated Data Center Facility Fee	\$0	\$0	\$0	\$0	\$0	\$0
Purchase of Northrop Grumman Owned Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Request for Service - Attachment 7	\$0	\$0	\$0	\$0	\$47,275	\$0
Service Level Credits - Attachment 6	(\$262,147)	\$0	(\$304,820)	\$0	(\$1,685,953)	\$0
Service Level Credits - Attachment 6A (Apr 07 Services)	\$0	\$0	\$1,271	\$0	\$1,271	\$0
Service Level Credits - Attachment 6B (May 07 Services)	\$471	\$0	\$3,102	\$0	(\$107,891)	\$0
Service Level Credits - Attachment 6C (June 07 Services)	\$390	\$0	\$2,993	\$0	\$3,382	\$0
Service Level Credits - Attachment 6D (July 07 Services)	\$675	\$0	\$1,016	\$0	\$1,691	\$0
Service Level Credits - Attachment 6E (Aug 07 Services)	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6F (Sep 07 Services)	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6G (Oct 07 Services)	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6H (Nov 07 Services)	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6I (Dec 07 Services)	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6J (Jan 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6K (Feb 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6L (Mar 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6M (Apr 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6N (May 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6O (Jun 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6P (Jul 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6Q (Aug 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6R (Sep 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6S (Oct 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6T (Nov 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6U (Dec 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6V (Jan 09 Services)	\$0	\$0	\$0	\$0	\$0	\$0
Deliverable Credit	(\$60,000)	\$0	(\$90,000)	\$0	(\$160,000)	\$0
Infrastructure Slack Software True Up Adjustment 1	\$0	\$0	\$274,868	\$274,868	\$274,868	\$274,868
Hardware Service Charge	\$707,075	\$707,075	\$1,414,150	\$1,414,150	\$3,535,375	\$3,535,375
Transition / Transformation Services - Attachment 8	\$0	\$0	\$0	\$0	\$0	\$0
HSMA	\$0	\$0	\$2,315,295	\$2,315,295	\$2,315,295	\$2,315,295
Other Costs Subtotal	\$181,108	\$707,075	(\$3,650,865)	\$4,063,971	(\$5,232,038)	\$6,185,196
Total IBM Invoice	\$7,460,923	\$7,986,890	\$3,492,355	\$11,207,191	\$30,948,803	\$42,366,036
Outsourcing Costs						
DIR Cost Recovery	\$235,613	\$230,149	\$328,852	\$321,964	\$1,248,038	\$1,217,997
Net Enterprise License Recovery Impact	\$59,600	\$59,600	\$59,600	\$59,600	\$298,000	\$298,000
State Compensation Payout	\$286,262	\$286,262	\$286,262	\$286,262	\$1,431,310	\$1,431,310
Network Connectivity to Provider	\$22,500	\$22,500	\$20,000	\$20,000	\$52,000	\$52,000
Space Reclamation and Energy Savings	\$0	\$0	\$0	\$0	\$0	\$0
Application remediation and desktop modifications	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000	\$250,000
State of Texas tax revenue	(\$187,432)	(\$183,085)	(\$187,432)	(\$183,506)	(\$937,161)	(\$912,638)
Other Costs of Outsourcing Total	\$466,543	\$465,426	\$557,282	\$554,320	\$2,342,187	\$2,336,669
Organic Growth						
Total Organic Growth Cost	N/A	\$185,226	N/A	\$234,764	N/A	\$1,019,600
Request for New Service Costs	N/A	\$0	N/A	\$0	N/A	\$47,275
RFNS (UNISYS)						
HSC - New Application Server Hardware	N/A	\$9,919	N/A	\$9,919	N/A	\$49,595
HSC - Software	N/A	\$173,800	N/A	\$173,800	N/A	\$868,999
HSC - Maintenance	N/A	\$0	N/A	\$0	N/A	\$0
HSC - Assumed Equipment Leases	N/A	\$0	N/A	\$0	N/A	\$0
Percent of Total Charges	N/A	2%	N/A	2%	N/A	2%
Other Costs of Outsourcing	N/A	\$5,464	N/A	\$6,889	N/A	\$29,313
DIR Cost Recovery	N/A	\$5,464	N/A	\$6,889	N/A	\$29,313
Agency Cost of Outsourcing	N/A	\$190,691	N/A	\$241,653	N/A	\$1,048,913
Enterprise Adjustments	N/A	(\$4,347)	N/A	(\$3,926)	N/A	(\$24,523)
State of Texas tax revenue	N/A	(\$4,347)	N/A	(\$3,926)	N/A	(\$24,523)
DCS Program Organic Growth Costs	N/A	\$186,344	N/A	\$237,726	N/A	\$1,025,119
Organic Growth Total		\$186,344		\$237,726		\$1,025,119
Total Costs of the DCS Program	\$7,927,466	\$8,265,972	\$4,049,637	\$11,523,784	\$33,290,990	\$43,677,586

	September-07		October-07		November-07		Q1 Year 1	
	Actual Cost Summary	Adjusted Cost Summary	Actual Cost Summary	Adjusted Cost Summary	Actual Cost Summary	Adjusted Cost Summary	Actual Cost Summary	Adjusted Cost Summary
Base Services								
Base Services	\$10,171,783	\$10,171,783	\$10,039,559	\$10,039,559	\$10,039,559	\$10,039,559	\$30,250,901	\$30,250,901
ARC/RRC	(\$522,045)	(\$522,045)	\$9,358	\$9,358	(\$102,850)	(\$102,850)	(\$615,537)	(\$615,537)
Other Charges and Credits	\$0	\$0	\$0	\$0	\$134,646	\$134,646	\$134,646	\$134,646
Subtotal - Base Services	\$9,649,738	\$9,649,738	\$10,048,917	\$10,048,917	\$10,071,354	\$10,071,354	\$29,770,009	\$29,770,009
Other Costs								
3rd Party Reimbursement Credits - Attachment 4	(\$8,541)	\$0	(\$321,152)	\$0	(\$21,450)	\$0	(\$351,142)	\$0
Delayed Start Employee Credits - Attachment 4	(\$2,844)	\$0	\$0	\$0	\$0	\$0	(\$2,844)	\$0
Contingency Resources - Attachment 4	(\$93,039)	\$0	(\$78,015)	\$0	(\$63,193)	\$0	(\$234,246)	\$0
Agency Retained Software - Attachment 8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Consolidated Data Center Facility Fee	\$0	\$0	\$27,798	\$27,798	(\$25,394)	(\$25,394)	\$2,404	\$2,404
Purchase of Northrop Grumman Owned Equipment	\$154,515	\$154,515	\$10,067	\$10,067	\$0	\$0	\$164,582	\$164,582
Request for Service - Attachment 7	\$85,345	\$0	\$125,031	\$0	\$79,345	\$0	\$289,721	\$0
Service Level Credits - Attachment 6	(\$389,446)	\$0	(\$368,013)	\$0	(\$338,895)	\$0	(\$1,096,355)	\$0
Service Level Credits - Attachment 6A (Apr 07 Services)	\$171	\$0	\$0	\$0	(\$968)	\$0	(\$796)	\$0
Service Level Credits - Attachment 6B (May 07 Services)	\$171	\$0	\$0	\$0	(\$1,926)	\$0	(\$1,755)	\$0
Service Level Credits - Attachment 6C (June 07 Services)	\$201	\$0	\$0	\$0	(\$2,388)	\$0	(\$2,187)	\$0
Service Level Credits - Attachment 6D (July 07 Services)	\$893	\$0	\$0	\$0	(\$1,934)	\$0	(\$1,041)	\$0
Service Level Credits - Attachment 6E (Aug 07 Services)	\$902	\$0	\$0	\$0	(\$1,284)	\$0	(\$382)	\$0
Service Level Credits - Attachment 6F (Sep 07 Services)	\$0	\$0	(\$74,458)	\$0	\$0	\$0	(\$74,458)	\$0
Service Level Credits - Attachment 6G (Oct 07 Services)	\$0	\$0	\$0	\$0	\$10	\$0	\$10	\$0
Service Level Credits - Attachment 6H (Nov 07 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6I (Dec 07 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6J (Jan 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6K (Feb 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6L (Mar 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6M (Apr 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6N (May 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6O (Jun 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6P (Jul 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6Q (Aug 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6R (Sep 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6S (Oct 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6T (Nov 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6U (Dec 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6V (Jan 09 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deliverable Credit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Infrastructure Slack Software True Up Adjustment 1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Hardware Service Charge	\$1,059,605	\$1,059,605	\$1,092,953	\$1,092,953	\$1,092,953	\$1,092,953	\$3,245,512	\$3,245,512
Transition / Transformation Services - Attachment 8	\$646,064	\$646,064	\$380,038	\$380,038	\$521,090	\$521,090	\$1,547,192	\$1,547,192
HSM/A	(\$221,905)	(\$221,905)	\$296,470	\$296,470	\$526,904	\$526,904	\$601,469	\$601,469
Other Costs Subtotal	\$1,232,092	\$1,638,279	\$1,090,719	\$1,807,326	\$1,762,872	\$2,115,554	\$4,085,683	\$5,561,160
Total IBM Invoice	\$10,881,830	\$11,288,017	\$11,139,636	\$11,856,243	\$11,834,227	\$12,186,909	\$33,855,693	\$35,331,169
Outsourcing Costs								
DIR Cost Recovery	\$328,438	\$310,088	\$350,965	\$330,794	\$360,263	\$343,898	\$1,039,666	\$984,780
Net Enterprise License Recovery Impact	\$231,638	\$231,638	\$231,638	\$231,638	\$231,638	\$231,638	\$694,913	\$694,913
State Compensation Payout	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Network Connectivity to Provider	\$12,378	\$12,378	\$12,378	\$12,378	\$12,378	\$12,378	\$37,134	\$37,134
Space Reclamation and Energy Savings	(\$9,543)	(\$9,543)	(\$9,543)	(\$9,543)	(\$9,543)	(\$9,543)	(\$28,628)	(\$28,628)
Application remediation and desktop modifications	\$208,333	\$208,333	\$208,333	\$208,333	\$208,333	\$208,333	\$625,000	\$625,000
State of Texas tax revenue	(\$214,050)	(\$202,091)	(\$214,050)	(\$201,748)	(\$214,050)	(\$204,327)	(\$642,151)	(\$608,166)
Other Costs of Outsourcing Total	\$557,194	\$550,803	\$579,721	\$571,852	\$589,019	\$582,377	\$1,725,934	\$1,705,033
Organic Growth								
Total Organic Growth Cost	N/A	\$630,671	N/A	\$681,419	N/A	\$553,586	N/A	\$1,865,675
Request for New Service Costs	N/A	\$85,345	N/A	\$125,031	N/A	\$79,345	N/A	\$289,721
RFNS (UNISYS)								
HSC - New Application Server Hardware	N/A	\$181,757	N/A	\$181,757	N/A	\$181,757	N/A	\$545,270
HSC - Software	N/A	\$194,835	N/A	\$194,835	N/A	\$194,835	N/A	\$584,504
HSC - Maintenance	N/A	\$0	N/A	\$0	N/A	\$0	N/A	\$0
HSC - Assumed Equipment Leases	N/A	\$0	N/A	\$0	N/A	\$0	N/A	\$0
Percent of Total Charges	N/A	6%	N/A	6%	N/A	5%	N/A	5%
Other Costs of Outsourcing	N/A	\$18,350	N/A	\$20,171	N/A	\$16,365	N/A	\$52,002
DIR Cost Recovery	N/A	\$18,350	N/A	\$20,171	N/A	\$16,365	N/A	\$52,002
Agency Cost of Outsourcing	N/A	\$649,021	N/A	\$701,590	N/A	\$569,951	N/A	\$1,920,561
Enterprise Adjustments	N/A	(\$11,959)	N/A	(\$12,302)	N/A	(\$9,723)	N/A	(\$33,985)
State of Texas tax revenue	N/A	(\$11,959)	N/A	(\$12,302)	N/A	(\$9,723)	N/A	(\$33,985)
DCS Program Organic Growth Costs	N/A	\$637,062	N/A	\$689,288	N/A	\$560,227	N/A	\$1,886,577
Organic Growth Total		\$637,062		\$689,288		\$560,227		\$1,886,577
Total Costs of the DCS Program	\$11,439,025	\$11,201,759	\$11,719,357	\$11,738,807	\$12,423,245	\$12,209,058	\$35,581,627	\$35,149,625

	December-07		January-08		February-08		Q2 Year 1	
	Actual Cost Summary	Adjusted Cost Summary	Actual Cost Summary	Adjusted Cost Summary	Actual Cost Summary	Adjusted Cost Summary	Actual Cost Summary	Adjusted Cost Summary
Base Services								
Base Services	\$10,039,559	\$10,039,559	\$10,039,559	\$10,039,559	\$10,039,559	\$10,039,559	\$30,118,677	\$30,118,677
ARC/RRC	(\$171,325)	(\$171,325)	\$147,358	\$147,358	(\$38,585)	(\$38,585)	(\$62,552)	(\$62,552)
Other Charges and Credits	\$0	\$0	\$0	\$0	\$5,626	\$5,626	\$5,626	\$5,626
Subtotal - Base Services	\$9,868,234	\$9,868,234	\$10,186,917	\$10,186,917	\$10,006,601	\$10,006,601	\$30,061,752	\$30,061,752
Other Costs								
3rd Party Reimbursement Credits - Attachment 4	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Delayed Start Employee Credits - Attachment 4	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Contingency Resources - Attachment 4	(\$10,953)	\$0	(\$28,278)	\$0	(\$13,033)	\$0	(\$52,264)	\$0
Agency Retained Software - Attachment 8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Consolidated Data Center Facility Fee	\$801	\$801	\$801	\$801	\$801	\$801	\$2,404	\$2,404
Purchase of Northrop Grumman Owned Equipment	\$0	\$0	\$0	\$0	\$1,161,952	\$1,161,952	\$1,161,952	\$1,161,952
Request for Service - Attachment 7	\$79,345	\$0	\$79,345	\$0	\$79,345	\$0	\$238,035	\$0
Service Level Credits - Attachment 6	(\$338,346)	\$0	(\$188,231)	\$0	(\$218,747)	\$0	(\$745,324)	\$0
Service Level Credits - Attachment 6A (Apr 07 Services)	\$0	\$0	\$0	\$0	\$2,218	\$0	\$2,218	\$0
Service Level Credits - Attachment 6B (May 07 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6C (June 07 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6D (July 07 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6E (Aug 07 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6F (Sep 07 Services)	\$0	\$0	\$1,869	\$0	\$192	\$0	\$2,061	\$0
Service Level Credits - Attachment 6G (Oct 07 Services)	\$2,562	\$0	\$650	\$0	\$194	\$0	\$3,406	\$0
Service Level Credits - Attachment 6H (Nov 07 Services)	(\$2,028)	\$0	\$0	\$0	\$0	\$0	(\$2,028)	\$0
Service Level Credits - Attachment 6I (Dec 07 Services)	\$0	\$0	\$8,644	\$0	\$0	\$0	\$8,644	\$0
Service Level Credits - Attachment 6J (Jan 08 Services)	\$0	\$0	\$0	\$0	(\$1)	\$0	(\$1)	\$0
Service Level Credits - Attachment 6K (Feb 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6L (Mar 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6M (Apr 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6N (May 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6O (Jun 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6P (Jul 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6Q (Aug 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6R (Sep 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6S (Oct 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6T (Nov 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6U (Dec 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6V (Jan 09 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deliverable Credit	(\$10,000)	\$0	\$0	\$0	\$0	\$0	(\$10,000)	\$0
Infrastructure Slack Software True Up Adjustment 1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Hardware Service Charge	\$1,092,953	\$1,092,953	\$1,092,953	\$1,092,953	\$1,092,953	\$1,092,953	\$3,278,860	\$3,278,860
Transition / Transformation Services - Attachment 8	\$542,743	\$542,743	\$627,155	\$627,155	\$627,155	\$627,155	\$1,797,053	\$1,797,053
HSMAs	\$105,983	\$105,983	\$376,800	\$376,800	\$1,171,509	\$1,171,509	\$1,654,292	\$1,654,292
Other Costs Subtotal	\$1,463,059	\$1,742,480	\$1,971,709	\$2,097,710	\$3,904,540	\$4,054,371	\$7,339,309	\$7,894,561
Total IBM Invoice	\$11,331,293	\$11,610,714	\$12,158,627	\$12,284,628	\$13,911,141	\$14,060,972	\$37,401,061	\$37,956,313
Outsourcing Costs								
DIR Cost Recovery	\$342,492	\$320,738	\$362,373	\$339,888	\$380,497	\$359,728	\$1,085,363	\$1,020,355
Net Enterprise License Recovery Impact	\$231,638	\$231,638	\$231,638	\$231,638	\$231,638	\$231,638	\$694,913	\$694,913
State Compensation Payout	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Network Connectivity to Provider	\$15,991	\$15,991	\$15,991	\$15,991	\$15,991	\$15,991	\$47,972	\$47,972
Space Reclamation and Energy Savings	(\$9,543)	(\$9,543)	(\$9,543)	(\$9,543)	(\$9,543)	(\$9,543)	(\$28,628)	(\$28,628)
Application remediation and desktop modifications	\$208,333	\$208,333	\$208,333	\$208,333	\$208,333	\$208,333	\$625,000	\$625,000
State of Texas tax revenue	(\$214,050)	(\$200,454)	(\$214,050)	(\$200,769)	(\$214,050)	(\$202,367)	(\$642,151)	(\$603,590)
Other Costs of Outsourcing Total	\$574,861	\$566,703	\$594,742	\$585,538	\$612,866	\$603,781	\$1,782,469	\$1,756,022
Organic Growth								
Total Organic Growth Cost	N/A	\$737,476	N/A	\$762,238	N/A	\$767,501	N/A	\$2,267,214
Request for New Service Costs	N/A	\$79,345	N/A	\$79,345	N/A	\$79,345	N/A	\$238,035
RFNS (UNISYS)								
HSC - New Application Server Hardware	N/A	\$350,061	N/A	\$350,061	N/A	\$350,061	N/A	\$1,050,182
HSC - Software	N/A	\$194,676	N/A	\$194,676	N/A	\$194,676	N/A	\$584,028
HSC - Maintenance	N/A	\$0	N/A	\$0	N/A	\$0	N/A	\$0
HSC - Assumed Equipment Leases	N/A	\$0	N/A	\$0	N/A	\$0	N/A	\$0
Percent of Total Charges	N/A	6%	N/A	6%	N/A	5%	N/A	6%
Other Costs of Outsourcing	N/A	\$21,754	N/A	\$22,485	N/A	\$20,769	N/A	\$60,948
DIR Cost Recovery	N/A	\$21,754	N/A	\$22,485	N/A	\$20,769	N/A	\$60,948
Agency Cost of Outsourcing	N/A	\$759,230	N/A	\$784,722	N/A	\$788,270	N/A	\$2,328,162
Enterprise Adjustments	N/A	(\$13,596)	N/A	(\$13,281)	N/A	(\$11,684)	N/A	(\$38,561)
State of Texas tax revenue	N/A	(\$13,596)	N/A	(\$13,281)	N/A	(\$11,684)	N/A	(\$38,561)
DCS Program Organic Growth Costs	N/A	\$745,634	N/A	\$771,441	N/A	\$776,586	N/A	\$2,289,601
Organic Growth Total		\$745,634		\$771,441		\$776,586		\$2,289,601
Total Costs of the DCS Program	\$11,906,154	\$11,431,783	\$12,753,368	\$12,098,725	\$14,524,007	\$13,888,167	\$39,183,530	\$37,422,734

	March-08		April-08		May-08		Q3 Year 1	
	Actual Cost Summary	Adjusted Cost Summary	Actual Cost Summary	Adjusted Cost Summary	Actual Cost Summary	Adjusted Cost Summary	Actual Cost Summary	Adjusted Cost Summary
Base Services								
Base Services	\$10,039,559	\$10,039,559	\$10,039,559	\$10,039,559	\$10,039,559	\$10,039,559	\$30,118,677	\$30,118,677
ARC/RRC	\$304,200	\$304,200	\$108,484	\$108,484	(\$1,542,781)	(\$1,542,781)	(\$1,130,097)	(\$1,130,097)
Other Charges and Credits	\$621	\$ 621	\$2,952	\$ 2,952	(\$10,643)	(\$10,643)	(\$7,071)	(\$7,071)
Subtotal - Base Services	\$10,344,380	\$10,344,380	\$10,150,995	\$10,150,995	\$8,486,135	\$8,486,135	\$28,981,510	\$28,981,510
Other Costs								
3rd Party Reimbursement Credits - Attachment 4	(\$3,973)	\$0	\$0	\$0	\$0	\$0	(\$3,973)	\$0
Delayed Start Employee Credits - Attachment 4	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Contingency Resources - Attachment 4	(\$24,001)	\$0	(\$27,875)	\$0	(\$5,671)	\$0	(\$57,547)	\$0
Agency Retained Software - Attachment 8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Consolidated Data Center Facility Fee	\$39,421	\$39,421	\$801	\$801	\$801	\$801	\$41,024	\$41,024
Purchase of Northrop Grumman Owned Equipment	\$1,531,572	\$1,531,572	\$0	\$0	\$0	\$0	\$1,531,572	\$1,531,572
Request for Service - Attachment 7	\$79,345	\$0	\$86,477	\$0	\$80,239	\$0	\$246,061	\$0
Service Level Credits - Attachment 6	(\$151,116)	\$0	(\$120,756)	\$0	(\$91,504)	\$0	(\$363,377)	\$0
Service Level Credits - Attachment 6A (Apr 07 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6B (May 07 Services)	\$0	\$0	\$1,894	\$0	\$0	\$0	\$1,894	\$0
Service Level Credits - Attachment 6C (June 07 Services)	\$0	\$0	\$0	\$0	\$6,430	\$0	\$6,430	\$0
Service Level Credits - Attachment 6D (July 07 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6E (Aug 07 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6F (Sep 07 Services)	\$1,155	\$0	\$24	\$0	\$8,113	\$0	\$9,292	\$0
Service Level Credits - Attachment 6G (Oct 07 Services)	(\$11,403)	\$0	\$54	\$0	\$5,947	\$0	(\$5,402)	\$0
Service Level Credits - Attachment 6H (Nov 07 Services)	\$161	\$0	\$51	\$0	\$5,542	\$0	\$5,754	\$0
Service Level Credits - Attachment 6I (Dec 07 Services)	\$138	\$0	\$49	\$0	\$5,356	\$0	\$5,544	\$0
Service Level Credits - Attachment 6J (Jan 08 Services)	\$67	\$0	\$26	\$0	\$2,937	\$0	\$3,030	\$0
Service Level Credits - Attachment 6K (Feb 08 Services)	\$78	\$0	\$33	\$0	\$3,435	\$0	\$3,546	\$0
Service Level Credits - Attachment 6L (Mar 08 Services)	\$0	\$0	(\$9)	\$0	\$1,349	\$0	\$1,340	\$0
Service Level Credits - Attachment 6M (Apr 08 Services)	\$0	\$0	\$0	\$0	\$2,901	\$0	\$2,901	\$0
Service Level Credits - Attachment 6N (May 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6O (Jun 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6P (Jul 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6Q (Aug 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6R (Sep 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6S (Oct 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6T (Nov 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6U (Dec 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6V (Jan 09 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deliverable Credit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Infrastructure Stack Software True Up Adjustment 1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Hardware Service Charge	\$1,092,953	\$1,092,953	\$1,092,953	\$1,092,953	\$1,092,953	\$1,092,953	\$3,278,860	\$3,278,860
Transition / Transformation Services - Attachment 8	\$627,155	\$627,155	\$688,707	\$688,707	\$644,211	\$644,211	\$1,960,073	\$1,960,073
HSMIA	\$529,883	\$529,883	\$525,001	\$525,001	\$223,245	\$223,245	\$1,278,129	\$1,278,129
Other Costs Subtotal	\$3,711,435	\$3,820,984	\$2,247,431	\$2,301,462	\$1,986,284	\$1,961,211	\$7,945,150	\$8,089,657
Total IBM Invoice	\$14,055,816	\$14,165,365	\$12,398,425	\$12,458,457	\$10,472,419	\$10,447,346	\$36,926,660	\$37,071,167
Outsourcing Costs								
DIR Cost Recovery	\$371,534	\$361,297	\$380,497	\$367,212	\$308,173	\$295,413	\$1,060,204	\$1,023,923
Net Enterprise License Recovery Impact	\$231,638	\$231,638	\$231,638	\$231,638	\$231,638	\$231,638	\$694,913	\$694,913
State Compensation Payout	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Network Connectivity to Provider	\$26,371	\$26,371	\$26,371	\$26,371	\$26,371	\$26,371	\$79,112	\$79,112
Space Reclamation and Energy Savings	(\$9,543)	(\$9,543)	(\$9,543)	(\$9,543)	(\$9,543)	(\$9,543)	(\$28,628)	(\$28,628)
Application remediation and desktop modifications	\$208,333	\$208,333	\$208,333	\$208,333	\$208,333	\$208,333	\$625,000	\$625,000
State of Texas tax revenue	(\$214,050)	(\$208,152)	(\$214,050)	(\$206,577)	(\$214,050)	(\$205,188)	(\$642,151)	(\$619,917)
Other Costs of Outsourcing Total	\$614,283	\$609,944	\$623,246	\$617,435	\$550,922	\$547,025	\$1,788,451	\$1,774,403
Organic Growth								
Total Organic Growth Cost	N/A	\$390,302	N/A	\$434,990	N/A	\$432,560	N/A	\$1,257,852
Request for New Service Costs	N/A	\$79,345	N/A	\$86,477	N/A	\$80,239	N/A	\$246,061
RFNS (UNISYS)								
HSC - New Application Server Hardware	N/A	\$87,074	N/A	\$87,074	N/A	\$87,074	N/A	\$261,221
HSC - Software	N/A	\$94,336	N/A	\$94,336	N/A	\$94,336	N/A	\$283,009
HSC - Maintenance	N/A	\$0	N/A	\$0	N/A	\$0	N/A	\$0
HSC - Assumed Equipment Leases	N/A	\$0	N/A	\$0	N/A	\$0	N/A	\$0
Percent of Total Charges	N/A	3%	N/A	3%	N/A	4%	N/A	3%
Other Costs of Outsourcing	N/A	\$9,955	N/A	\$12,821	N/A	\$12,231	N/A	\$35,007
DIR Cost Recovery	N/A	\$9,955	N/A	\$12,821	N/A	\$12,231	N/A	\$35,007
Agency Cost of Outsourcing	N/A	\$400,257	N/A	\$447,811	N/A	\$444,792	N/A	\$1,292,860
Enterprise Adjustments	N/A	(\$5,898)	N/A	(\$7,474)	N/A	(\$8,863)	N/A	(\$22,234)
State of Texas tax revenue	N/A	(\$5,898)	N/A	(\$7,474)	N/A	(\$8,863)	N/A	(\$22,234)
DCS Program Organic Growth Costs	N/A	\$394,359	N/A	\$440,338	N/A	\$435,929	N/A	\$1,270,626
Organic Growth Total		\$394,359		\$440,338		\$435,929		\$1,270,626
Total Costs of the DCS Program	\$14,670,098	\$14,380,949	\$13,021,672	\$12,635,554	\$11,023,341	\$10,558,441	\$38,715,111	\$37,574,944

	June-08		July-08		August-08		Q4 Year 1	
	Actual Cost Summary	Adjusted Cost Summary	Actual Cost Summary	Adjusted Cost Summary	Actual Cost Summary	Adjusted Cost Summary	Actual Cost Summary	Adjusted Cost Summary
Base Services								
Base Services	\$10,039,559	\$10,039,559	\$10,039,559	\$10,039,559	\$10,039,559	\$10,039,559	\$30,118,677	\$30,118,677
ARC/RRC	(\$193,952)	(\$193,952)	\$1,586,374	\$1,586,374	(\$392,699)	(\$392,699)	\$999,723	\$999,723
Other Charges and Credits	(\$718)	(\$718)	\$2,615	\$2,615	\$464,931	\$464,931	\$466,828	\$466,828
Subtotal - Base Services	\$9,844,888	\$9,844,888	\$11,628,549	\$11,628,549	\$10,111,791	\$10,111,791	\$31,585,228	\$31,585,228
Other Costs								
3rd Party Reimbursement Credits - Attachment 4	\$0	\$0	(\$12,532)	\$0	(\$68,368)	\$0	(\$80,900)	\$0
Delayed Start Employee Credits - Attachment 4	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Contingency Resources - Attachment 4	(\$15,991)	\$0	(\$11,110)	\$0	(\$7,996)	\$0	(\$35,097)	\$0
Agency Retained Software - Attachment 8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Consolidated Data Center Facility Fee	\$9,436	\$9,436	\$5,030	\$5,030	\$2,751	\$2,751	\$17,216	\$17,216
Purchase of Northrop Grumman Owned Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Request for Service - Attachment 7	\$84,972	\$0	\$ 332,942	\$0	\$ 204,284	\$0	\$622,199	\$0
Service Level Credits - Attachment 6	\$0	\$0	\$113,579	\$0	\$91,265	\$0	\$204,844	\$0
Service Level Credits - Attachment 6A (Apr 07 Services)	\$0	\$0	\$585	\$0	(\$3,308)	\$0	(\$2,723)	\$0
Service Level Credits - Attachment 6B (May 07 Services)	\$0	\$0	\$841	\$0	(\$5,639)	\$0	(\$4,797)	\$0
Service Level Credits - Attachment 6C (June 07 Services)	\$0	\$0	\$735	\$0	(\$3,956)	\$0	(\$3,221)	\$0
Service Level Credits - Attachment 6D (July 07 Services)	\$3,950	\$0	\$417	\$0	(\$1,829)	\$0	\$2,538	\$0
Service Level Credits - Attachment 6E (Aug 07 Services)	\$0	\$0	(\$1,098)	\$0	\$772	\$0	(\$326)	\$0
Service Level Credits - Attachment 6F (Sep 07 Services)	\$329	\$0	(\$6,312)	\$0	\$774	\$0	(\$5,210)	\$0
Service Level Credits - Attachment 6G (Oct 07 Services)	\$291	\$0	(\$5,302)	\$0	\$1,261	\$0	(\$3,751)	\$0
Service Level Credits - Attachment 6H (Nov 07 Services)	\$271	\$0	(\$4,752)	\$0	\$1,219	\$0	(\$3,261)	\$0
Service Level Credits - Attachment 6I (Dec 07 Services)	\$247	\$0	(\$5,229)	\$0	\$969	\$0	(\$4,013)	\$0
Service Level Credits - Attachment 6J (Jan 08 Services)	\$136	\$0	(\$2,890)	\$0	\$521	\$0	(\$2,233)	\$0
Service Level Credits - Attachment 6K (Feb 08 Services)	\$161	\$0	(\$3,056)	\$0	\$653	\$0	(\$2,242)	\$0
Service Level Credits - Attachment 6L (Mar 08 Services)	\$106	\$0	(\$1,211)	\$0	(\$74,868)	\$0	(\$75,973)	\$0
Service Level Credits - Attachment 6M (Apr 08 Services)	\$471	\$0	(\$2,968)	\$0	\$825	\$0	(\$1,672)	\$0
Service Level Credits - Attachment 6N (May 08 Services)	(\$33,302)	\$0	(\$3,287)	\$0	(\$72,509)	\$0	(\$109,098)	\$0
Service Level Credits - Attachment 6O (Jun 08 Services)	\$0	\$0	(\$177,865)	\$0	\$645	\$0	(\$177,220)	\$0
Service Level Credits - Attachment 6P (Jul 08 Services)	\$0	\$0	\$0	\$0	(\$222,993)	\$0	(\$222,993)	\$0
Service Level Credits - Attachment 6Q (Aug 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6R (Sep 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6S (Oct 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6T (Nov 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6U (Dec 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6V (Jan 09 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deliverable Credit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Infrastructure Slack Software True Up Adjustment 1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Hardware Service Charge	\$1,092,953	\$1,092,953	\$1,092,953	\$1,092,953	\$1,092,953	\$1,092,953	\$3,278,860	\$3,278,860
Transition / Transformation Services - Attachment 8	\$655,144	\$655,144	\$655,144	\$655,144	\$655,144	\$655,144	\$1,965,432	\$1,965,432
HSMAs	\$224,960	\$224,960	\$354,388	\$354,388	\$1,527,295	\$1,527,295	\$2,106,643	\$2,106,643
Other Costs Subtotal	\$2,024,135	\$1,982,493	\$2,319,002	\$2,107,515	\$3,119,864	\$3,278,143	\$7,463,001	\$7,368,151
Total IBM Invoice	\$11,869,024	\$11,827,382	\$13,947,551	\$13,736,064	\$13,231,655	\$13,389,934	\$39,048,229	\$38,953,374
Outsourcing Costs								
DIR Cost Recovery	\$348,629	\$324,120	\$405,066	\$373,385	\$394,922	\$366,564	\$1,148,617	\$1,064,070
Net Enterprise License Recovery Impact	\$231,638	\$231,638	\$231,638	\$231,638	\$231,638	\$231,638	\$694,913	\$694,913
State Compensation Payout	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Network Connectivity to Provider	\$28,662	\$28,662	\$28,662	\$28,662	\$28,662	\$28,662	\$85,987	\$85,987
Space Reclamation and Energy Savings	(\$9,543)	(\$9,543)	(\$9,543)	(\$9,543)	(\$9,543)	(\$9,543)	(\$28,628)	(\$28,628)
Application remediation and desktop modifications	\$208,333	\$208,333	\$208,333	\$208,333	\$208,333	\$208,333	\$625,000	\$625,000
State of Texas tax revenue	(\$214,050)	(\$199,002)	(\$214,050)	(\$197,309)	(\$214,050)	(\$198,680)	(\$642,151)	(\$594,992)
Other Costs of Outsourcing Total	\$593,670	\$584,209	\$650,106	\$635,167	\$639,962	\$626,975	\$1,883,738	\$1,846,350
Organic Growth								
Total Organic Growth Cost	N/A	\$831,485	N/A	\$1,074,304	N/A	\$961,474	N/A	\$2,867,263
Request for New Service Costs	N/A	\$84,972	N/A	\$ 332,942	N/A	\$ 204,284	N/A	\$622,199
RFNS (UNISYS)								
HSC - New Application Server Hardware	N/A	\$82,537	N/A	\$82,537	N/A	\$82,537	N/A	\$247,610
HSC - Software	N/A	\$446,934	N/A	\$446,934	N/A	\$446,934	N/A	\$1,340,801
HSC - Maintenance	N/A	\$0	N/A	\$0	N/A	\$0	N/A	\$0
HSC - Assumed Equipment Leases	N/A	\$0	N/A	\$0	N/A	\$0	N/A	\$0
Percent of Total Charges	N/A	7%	N/A	8%	N/A	7%	N/A	7%
Other Costs of Outsourcing	N/A	\$22,786	N/A	\$29,203	N/A	\$26,321	N/A	\$78,310
DIR Cost Recovery	N/A	\$22,786	N/A	\$29,203	N/A	\$26,321	N/A	\$78,310
Agency Cost of Outsourcing	N/A	\$854,272	N/A	\$1,103,506	N/A	\$987,795	N/A	\$2,945,573
Enterprise Adjustments	N/A	(\$15,048)	N/A	(\$16,741)	N/A	(\$15,370)	N/A	(\$47,159)
State of Texas tax revenue	N/A	(\$15,048)	N/A	(\$16,741)	N/A	(\$15,370)	N/A	(\$47,159)
DCS Program Organic Growth Costs	N/A	\$839,223	N/A	\$1,086,765	N/A	\$972,425	N/A	\$2,898,414
Organic Growth Total		\$839,223		\$1,086,765		\$972,425		\$2,898,414
Total Costs of the DCS Program	\$12,462,693	\$11,572,367	\$14,597,657	\$13,284,465	\$13,871,617	\$13,044,483	\$40,931,967	\$37,901,315

	September-08		October-08		November-08		01 Year 2	
	Actual Cost Summary	Adjusted Cost Summary	Actual Cost Summary	Adjusted Cost Summary	Actual Cost Summary	Adjusted Cost Summary	Actual Cost Summary	Adjusted Cost Summary
Base Services								
Base Services	\$10,004,669	\$10,004,669	\$10,110,885	\$10,110,885	\$10,138,824	\$10,138,824	\$30,254,378	\$30,254,378
ARC/RRC	\$672,534	\$672,534	\$790,566	\$790,566	\$373,786	\$373,786	\$1,836,886	\$1,836,886
Other Charges and Credits	(\$19,161)	(\$19,161)	\$12,886	\$12,886	\$58,414	\$58,414	\$52,139	\$52,139
Subtotal - Base Services	\$10,658,043	\$10,658,043	\$10,914,336	\$10,914,336	\$10,571,023	\$10,571,023	\$32,143,403	\$32,143,403
Other Costs								
3rd Party Reimbursement Credits - Attachment 4	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Delayed Start Employee Credits - Attachment 4	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Contingency Resources - Attachment 4	(\$9,994)	\$0	(\$7,800)	\$0	(\$7,605)	\$0	(\$25,399)	\$0
Agency Retained Software - Attachment 8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Consolidated Data Center Facility Fee	\$2,751	\$2,751	\$2,751	\$2,751	\$2,773	\$2,773	\$8,274	\$8,274
Purchase of Northrop Grumman Owned Equipment	\$154,515	\$154,515	\$0	\$0	\$0	\$0	\$154,515	\$154,515
Request for Service - Attachment 7	\$148,221	\$0	\$209,897	\$0	\$96,768	\$0	\$454,887	\$0
Service Level Credits - Attachment 6	\$49,397	\$0	\$81,093	\$0	\$68,636	\$0	\$199,126	\$0
Service Level Credits - Attachment 6A (Apr 07 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6B (May 07 Services)	\$1,152	\$0	\$0	\$0	\$0	\$0	\$1,152	\$0
Service Level Credits - Attachment 6C (June 07 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6D (July 07 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6E (Aug 07 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6F (Sep 07 Services)	\$36	\$0	\$27	\$0	\$0	\$0	\$62	\$0
Service Level Credits - Attachment 6G (Oct 07 Services)	\$65	\$0	\$0	\$0	\$142	\$0	\$207	\$0
Service Level Credits - Attachment 6H (Nov 07 Services)	\$61	\$0	\$0	\$0	\$187	\$0	\$248	\$0
Service Level Credits - Attachment 6I (Dec 07 Services)	\$22	\$0	\$0	\$0	\$159	\$0	\$181	\$0
Service Level Credits - Attachment 6J (Jan 08 Services)	\$12	\$0	\$0	\$0	\$0	\$0	\$12	\$0
Service Level Credits - Attachment 6K (Feb 08 Services)	\$14	\$0	\$0	\$0	\$2	\$0	\$16	\$0
Service Level Credits - Attachment 6L (Mar 08 Services)	\$15	\$0	\$0	\$0	(\$1)	\$0	\$14	\$0
Service Level Credits - Attachment 6M (Apr 08 Services)	\$15	\$0	\$12	\$0	\$1	\$0	\$28	\$0
Service Level Credits - Attachment 6N (May 08 Services)	\$19	\$0	\$15	\$0	\$2	\$0	\$36	\$0
Service Level Credits - Attachment 6O (Jun 08 Services)	\$11	\$0	(\$107,227)	\$0	\$0	\$0	(\$107,215)	\$0
Service Level Credits - Attachment 6P (Jul 08 Services)	\$37	\$0	\$124	\$0	\$1	\$0	\$162	\$0
Service Level Credits - Attachment 6Q (Aug 08 Services)	(\$316,518)	\$0	\$204	\$0	\$1	\$0	(\$316,314)	\$0
Service Level Credits - Attachment 6R (Sep 08 Services)	\$0	\$0	(\$214,682)	\$0	(\$503)	\$0	(\$215,185)	\$0
Service Level Credits - Attachment 6S (Oct 08 Services)	\$0	\$0	\$0	\$0	(\$220,718)	\$0	(\$220,718)	\$0
Service Level Credits - Attachment 6T (Nov 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6U (Dec 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6V (Jan 09 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deliverable Credit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Infrastructure Slack Software True Up Adjustment 1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Hardware Service Charge	\$991,687	\$991,687	\$991,687	\$991,687	\$991,687	\$991,687	\$2,975,061	\$2,975,061
Transition / Transformation Services - Attachment 8	\$316,406	\$316,406	\$316,406	\$316,406	\$2,555,926	\$2,555,926	\$3,188,739	\$3,188,739
HSMIA	\$1,215,745	\$1,215,745	\$2,583,668	\$2,583,668	\$2,266,512	\$2,266,512	\$6,065,924	\$6,065,924
Other Costs Subtotal	\$2,553,667	\$2,681,104	\$3,856,174	\$3,894,512	\$5,753,972	\$5,876,898	\$12,163,813	\$12,392,514
Total IBM Invoice	\$13,211,710	\$13,339,146	\$14,770,511	\$14,808,848	\$16,324,995	\$16,387,922	\$44,307,216	\$44,535,916
Outsourcing Costs								
DIR Cost Recovery	\$388,865	\$257,972	\$436,780	\$303,926	\$483,362	\$352,619	\$1,309,007	\$914,518
Net Enterprise License Recovery Impact	\$225,039	\$225,039	\$225,039	\$225,039	\$225,039	\$225,039	\$675,116	\$675,116
State Compensation Payout	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Network Connectivity to Provider	\$36,232	\$36,232	\$36,232	\$36,232	\$36,232	\$36,232	\$108,697	\$108,697
Space Reclamation and Energy Savings	(\$19,207)	(\$19,207)	(\$19,207)	(\$19,207)	(\$19,207)	(\$19,207)	(\$57,620)	(\$57,620)
Application remediation and desktop modifications	\$166,667	\$166,667	\$166,667	\$166,667	\$166,667	\$166,667	\$500,000	\$500,000
State of Texas tax revenue	(\$274,605)	(\$182,172)	(\$274,605)	(\$191,079)	(\$274,605)	(\$200,328)	(\$823,815)	(\$573,580)
Other Costs of Outsourcing Total	\$522,992	\$484,531	\$570,906	\$521,578	\$617,488	\$561,022	\$1,711,386	\$1,567,132
Organic Growth								
Total Organic Growth Cost	N/A	\$ 4,489,995	N/A	\$ 4,504,344	N/A	\$ 4,432,700	N/A	\$13,427,038
Request for New Service Costs	N/A	\$ 148,221	N/A	\$ 209,897	N/A	\$ 96,768	N/A	\$454,887
RFNS (UNISYS)	N/A	\$ 1,497,101	N/A	\$ 1,497,101	N/A	\$ 1,497,101	N/A	\$4,491,303
HSC - New Application Server Hardware	N/A	\$129,752	N/A	\$129,752	N/A	\$129,752	N/A	\$389,257
HSC - Software	N/A	\$1,710,390	N/A	\$1,710,390	N/A	\$1,710,390	N/A	\$5,131,171
HSC - Maintenance	N/A	\$0	N/A	\$0	N/A	\$0	N/A	\$0
HSC - Assumed Equipment Leases	N/A	\$0	N/A	\$0	N/A	\$0	N/A	\$0
Percent of Total Charges	N/A	34%	N/A	30%	N/A	27%	N/A	\$1
Other Costs of Outsourcing	N/A	\$86,834	N/A	\$92,444	N/A	\$95,379	N/A	\$274,657
DIR Cost Recovery	N/A	\$86,834	N/A	\$92,444	N/A	\$95,379	N/A	\$274,657
Agency Cost of Outsourcing	N/A	\$4,576,829	N/A	\$4,596,788	N/A	\$4,528,078	N/A	\$13,701,695
Enterprise Adjustments	N/A	(\$92,433)	N/A	(\$83,525)	N/A	(\$74,277)	N/A	(\$250,235)
State of Texas tax revenue	N/A	(\$92,433)	N/A	(\$83,525)	N/A	(\$74,277)	N/A	(\$250,235)
DCS Program Organic Growth Costs	N/A	\$4,484,396	N/A	\$4,513,262	N/A	\$4,453,802	N/A	\$13,451,460
Organic Growth Total		\$4,484,396		\$4,513,262		\$4,453,802		\$13,451,460
Total Costs of the DCS Program	\$13,734,702	\$9,339,281	\$15,341,417	\$10,817,164	\$16,942,484	\$12,495,143	\$46,018,602	\$32,651,588

	December-08		January-09		February-09		Q2 Year 2	
	Actual Cost Summary	Adjusted Cost Summary	Actual Cost Summary	Adjusted Cost Summary	Actual Cost Summary	Adjusted Cost Summary	Actual Cost Summary	Adjusted Cost Summary
Base Services								
Base Services	\$10,151,166	\$10,151,166	\$10,158,850	\$10,158,850	\$10,149,959	\$10,149,959	\$30,459,976	\$30,459,976
ARC/RRC	\$717,679	\$717,679	\$978,758	\$978,758	\$734,675	\$734,675	\$2,431,112	\$2,431,112
Other Charges and Credits	\$5	\$5	(\$11,896)	(\$11,896)	(\$22,192)	(\$22,192)	(\$34,084)	(\$34,084)
Subtotal - Base Services	\$10,868,850	\$10,868,850	\$11,125,713	\$11,125,713	\$10,862,442	\$10,862,442	\$32,857,004	\$32,857,004
Other Costs								
3rd Party Reimbursement Credits - Attachment 4	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Delayed Start Employee Credits - Attachment 4	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Contingency Resources - Attachment 4	(\$9,506)	\$0	(\$7,507)	\$0	(\$4,549)	\$0	(\$21,562)	\$0
Agency Retained Software - Attachment 8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Consolidated Data Center Facility Fee	\$5,736	\$5,736	\$44,440	\$44,440	\$7,481	\$7,481	\$57,656	\$57,656
Purchase of Northrop Grumman Owned Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Request for Service - Attachment 7	\$73,242	\$0	\$267,027	\$0	\$95,056	\$0	\$435,326	\$0
Service Level Credits - Attachment 6	(\$221,628)	\$0	(\$389,068)	\$0	(\$351,417)	\$0	(\$962,113)	\$0
Service Level Credits - Attachment 6A (Apr 07 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6B (May 07 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6C (June 07 Services)	(\$186)	\$0	\$0	\$0	\$0	\$0	(\$186)	\$0
Service Level Credits - Attachment 6D (July 07 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6E (Aug 07 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6F (Sep 07 Services)	\$2	\$0	\$0	\$0	\$0	\$0	\$2	\$0
Service Level Credits - Attachment 6G (Oct 07 Services)	\$76	\$0	\$0	\$0	\$0	\$0	\$76	\$0
Service Level Credits - Attachment 6H (Nov 07 Services)	\$73	\$0	\$0	\$0	\$0	\$0	\$73	\$0
Service Level Credits - Attachment 6I (Dec 07 Services)	\$101	\$0	\$0	\$0	\$0	\$0	\$101	\$0
Service Level Credits - Attachment 6J (Jan 08 Services)	\$35	\$0	\$0	\$0	\$0	\$0	\$35	\$0
Service Level Credits - Attachment 6K (Feb 08 Services)	\$42	\$0	(\$0)	\$0	\$0	\$0	\$42	\$0
Service Level Credits - Attachment 6L (Mar 08 Services)	\$43	\$0	\$0	\$0	\$0	\$0	\$43	\$0
Service Level Credits - Attachment 6M (Apr 08 Services)	\$28	\$0	\$0	\$0	\$0	\$0	\$28	\$0
Service Level Credits - Attachment 6N (May 08 Services)	\$37	\$0	\$16	\$0	\$0	\$0	\$52	\$0
Service Level Credits - Attachment 6O (Jun 08 Services)	\$37	\$0	\$0	\$0	\$0	\$0	\$37	\$0
Service Level Credits - Attachment 6P (Jul 08 Services)	\$60	\$0	\$0	\$0	\$0	\$0	\$60	\$0
Service Level Credits - Attachment 6Q (Aug 08 Services)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Level Credits - Attachment 6R (Sep 08 Services)	\$0	\$0	\$16	\$0	\$0	\$0	\$16	\$0
Service Level Credits - Attachment 6S (Oct 08 Services)	(\$12)	\$0	\$8	\$0	\$9	\$0	\$4	\$0
Service Level Credits - Attachment 6T (Nov 08 Services)	(\$18)	\$0	(\$174)	\$0	\$0	\$0	(\$192)	\$0
Service Level Credits - Attachment 6U (Dec 08 Services)	\$0	\$0	(\$321)	\$0	(\$189)	\$0	(\$510)	\$0
Service Level Credits - Attachment 6V (Jan 09 Services)	\$0	\$0	\$0	\$0	(\$188)	\$0	(\$188)	\$0
Deliverable Credit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Infrastructure Slack Software True Up Adjustment 1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Hardware Service Charge	\$991,687	\$991,687	\$991,687	\$991,687	\$991,687	\$991,687	\$2,975,061	\$2,975,061
Transition / Transformation Services - Attachment 8	\$620,312	\$620,312	\$372,017	\$372,017	\$1,248,571	\$1,248,571	\$2,240,899	\$2,240,899
HSMIA	\$1,298,274	\$1,298,274	\$1,944,246	\$1,944,246	\$466,818	\$466,818	\$3,709,339	\$3,709,339
Other Costs Subtotal	\$2,758,432	\$2,976,009	\$3,222,386	\$3,352,390	\$2,453,278	\$2,714,557	\$8,434,097	\$8,982,955
Total IBM Invoice	\$13,627,282	\$13,784,858	\$14,348,098	\$14,478,102	\$13,315,720	\$13,576,998	\$41,291,100	\$41,839,959
Outsourcing Costs								
DIR Cost Recovery	\$406,484	\$295,724	\$425,793	\$310,162	\$400,301	\$289,975	\$1,232,578	\$895,861
Net Enterprise License Recovery Impact	\$225,039	\$225,039	\$225,039	\$225,039	\$225,039	\$225,039	\$675,116	\$675,116
State Compensation Payout	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Network Connectivity to Provider	\$45,280	\$45,280	\$45,280	\$45,280	\$45,280	\$45,280	\$135,841	\$135,841
Space Reclamation and Energy Savings	(\$19,207)	(\$19,207)	(\$19,207)	(\$19,207)	(\$19,207)	(\$19,207)	(\$57,620)	(\$57,620)
Application remediation and desktop modifications	\$166,667	\$166,667	\$166,667	\$166,667	\$166,667	\$166,667	\$500,000	\$500,000
State of Texas tax revenue	(\$274,605)	(\$199,780)	(\$274,605)	(\$200,031)	(\$274,605)	(\$198,921)	(\$823,815)	(\$598,732)
Other Costs of Outsourcing Total	\$549,658	\$573,724	\$568,967	\$527,910	\$543,475	\$508,832	\$1,662,101	\$1,550,465
Organic Growth								
Total Organic Growth Cost	N/A	\$ 3,756,137	N/A	\$ 3,931,771	N/A	\$ 3,741,934	N/A	\$11,429,841
Request for New Service Costs	N/A	\$ 73,242	N/A	\$ 267,027	N/A	\$ 95,056	N/A	\$435,326
RFNS (UNISYS)	N/A	\$ 1,497,101	N/A	\$ 1,497,101	N/A	\$ 1,497,101	N/A	\$4,491,303
HSC - New Application Server Hardware	N/A	\$50,358	N/A	\$50,358	N/A	\$50,358	N/A	\$151,075
HSC - Software	N/A	\$1,049,282	N/A	\$1,049,282	N/A	\$1,049,282	N/A	\$3,147,845
HSC - Maintenance	N/A	\$0	N/A	\$0	N/A	\$0	N/A	\$0
HSC - Assumed Equipment Leases	N/A	\$0	N/A	\$0	N/A	\$0	N/A	\$0
Percent of Total Charges	N/A	27%	N/A	27%	N/A	28%	N/A	\$1
Other Costs of Outsourcing	N/A	\$80,580	N/A	\$84,230	N/A	\$79,919	N/A	\$244,729
DIR Cost Recovery	N/A	\$80,580	N/A	\$84,230	N/A	\$79,919	N/A	\$244,729
Agency Cost of Outsourcing	N/A	\$3,836,716	N/A	\$4,016,000	N/A	\$3,821,854	N/A	\$11,674,570
Enterprise Adjustments	N/A	(\$74,825)	N/A	(\$74,574)	N/A	(\$75,683)	N/A	(\$225,082)
State of Texas tax revenue	N/A	(\$74,825)	N/A	(\$74,574)	N/A	(\$75,683)	N/A	(\$225,082)
DCS Program Organic Growth Costs	N/A	\$3,761,891	N/A	\$3,941,427	N/A	\$3,746,170	N/A	\$11,449,488
Organic Growth Total		\$3,761,891		\$3,941,427		\$3,746,170		\$11,449,488
Total Costs of the DCS Program	\$14,176,940	\$10,536,691	\$14,917,066	\$11,064,585	\$13,859,195	\$10,339,660	\$42,953,201	\$31,940,936

	Stub Period		Year 1 Total		Year 2 Total		Contract-to-Date	
	Actual Cost Summary	Adjusted Cost Summary	Actual Cost Summary	Adjusted Cost Summary	Actual Cost Summary	Adjusted Cost Summary	Actual Cost Summary	Adjusted Cost Summary
Base Services								
Base Services	\$40,157,765	\$40,157,765	\$120,606,933	\$120,606,933	\$60,714,354	\$60,714,354	\$221,479,052	\$221,479,052
ARC/RRC	(\$3,976,925)	(\$3,976,925)	(\$808,463)	(\$808,463)	\$4,267,997	\$4,267,997	(\$517,391)	(\$517,391)
Other Charges and Credits	\$0	\$0	\$600,029	\$600,029	\$18,055	\$18,055	\$618,084	\$618,084
Subtotal - Base Services	\$36,180,840	\$36,180,840	\$120,398,499	\$120,398,499	\$65,000,406	\$65,000,406	\$221,579,746	\$221,579,746
Other Costs								
3rd Party Reimbursement Credits - Attachment 4	(\$8,236,989)	\$0	(\$436,015)	\$0	\$0	\$0	(\$8,673,004)	\$0
Delayed Start Employee Credits - Attachment 4	(\$9,999)	\$0	(\$2,844)	\$0	\$0	\$0	(\$12,843)	\$0
Contingency Resources - Attachment 4	(\$1,270,020)	\$0	(\$379,154)	\$0	(\$46,961)	\$0	(\$1,696,135)	\$0
Agency Retained Software - Attachment 8	\$59,658	\$59,658	\$0	\$0	\$0	\$0	\$59,658	\$59,658
Consolidated Data Center Facility Fee	\$0	\$0	\$63,048	\$63,048	\$65,931	\$65,931	\$128,979	\$128,979
Purchase of Northrop Grumman Owned Equipment	\$0	\$0	\$2,858,106	\$2,858,106	\$154,515	\$154,515	\$3,012,621	\$3,012,621
Request for Service - Attachment 7	\$47,275	\$0	\$1,396,016	\$0	\$890,213	\$0	\$2,333,503	\$0
Service Level Credits - Attachment 6	(\$1,685,953)	\$0	(\$2,000,212)	\$0	(\$762,987)	\$0	(\$4,449,152)	\$0
Service Level Credits - Attachment 6A (Apr 07 Services)	\$1,271	\$0	(\$1,301)	\$0	\$0	\$0	(\$31)	\$0
Service Level Credits - Attachment 6B (May 07 Services)	(\$107,891)	\$0	(\$4,658)	\$0	\$1,152	\$0	(\$111,398)	\$0
Service Level Credits - Attachment 6C (June 07 Services)	\$3,382	\$0	\$1,022	\$0	(\$186)	\$0	\$4,218	\$0
Service Level Credits - Attachment 6D (July 07 Services)	\$1,691	\$0	\$1,497	\$0	\$0	\$0	\$3,188	\$0
Service Level Credits - Attachment 6E (Aug 07 Services)	\$0	\$0	(\$709)	\$0	\$0	\$0	(\$709)	\$0
Service Level Credits - Attachment 6F (Sep 07 Services)	\$0	\$0	(\$68,314)	\$0	\$64	\$0	(\$68,251)	\$0
Service Level Credits - Attachment 6G (Oct 07 Services)	\$0	\$0	(\$5,736)	\$0	\$282	\$0	(\$5,454)	\$0
Service Level Credits - Attachment 6H (Nov 07 Services)	\$0	\$0	\$464	\$0	\$320	\$0	\$785	\$0
Service Level Credits - Attachment 6I (Dec 07 Services)	\$0	\$0	\$10,175	\$0	\$282	\$0	\$10,457	\$0
Service Level Credits - Attachment 6J (Jan 08 Services)	\$0	\$0	\$796	\$0	\$47	\$0	\$844	\$0
Service Level Credits - Attachment 6K (Feb 08 Services)	\$0	\$0	\$1,305	\$0	\$58	\$0	\$1,362	\$0
Service Level Credits - Attachment 6L (Mar 08 Services)	\$0	\$0	(\$14,633)	\$0	\$57	\$0	(\$14,576)	\$0
Service Level Credits - Attachment 6M (Apr 08 Services)	\$0	\$0	\$1,229	\$0	\$56	\$0	\$1,285	\$0
Service Level Credits - Attachment 6N (May 08 Services)	\$0	\$0	(\$109,098)	\$0	\$88	\$0	(\$109,011)	\$0
Service Level Credits - Attachment 6O (Jun 08 Services)	\$0	\$0	(\$177,220)	\$0	(\$107,178)	\$0	(\$284,399)	\$0
Service Level Credits - Attachment 6P (Jul 08 Services)	\$0	\$0	(\$222,993)	\$0	\$222	\$0	(\$222,771)	\$0
Service Level Credits - Attachment 6Q (Aug 08 Services)	\$0	\$0	\$0	\$0	(\$316,314)	\$0	(\$316,314)	\$0
Service Level Credits - Attachment 6R (Sep 08 Services)	\$0	\$0	\$0	\$0	(\$215,169)	\$0	(\$215,169)	\$0
Service Level Credits - Attachment 6S (Oct 08 Services)	\$0	\$0	\$0	\$0	(\$220,714)	\$0	(\$220,714)	\$0
Service Level Credits - Attachment 6T (Nov 08 Services)	\$0	\$0	\$0	\$0	(\$192)	\$0	(\$192)	\$0
Service Level Credits - Attachment 6U (Dec 08 Services)	\$0	\$0	\$0	\$0	(\$510)	\$0	(\$510)	\$0
Service Level Credits - Attachment 6V (Jan 09 Services)	\$0	\$0	\$0	\$0	(\$188)	\$0	(\$188)	\$0
Deliverable Credit	(\$160,000)	\$0	(\$10,000)	\$0	\$0	\$0	(\$170,000)	\$0
Infrastructure Stack Software True Up Adjustment 1	\$274,868	\$274,868	\$0	\$0	\$0	\$0	\$274,868	\$274,868
Hardware Service Charge	\$3,535,375	\$3,535,375	\$13,082,092	\$13,082,092	\$5,950,122	\$5,950,122	\$22,567,589	\$22,567,589
Transition / Transformation Services - Attachment 8	\$0	\$0	\$7,269,749	\$7,269,749	\$5,429,638	\$5,429,638	\$12,699,388	\$12,699,388
H5MA	\$2,315,295	\$2,315,295	\$5,640,534	\$5,640,534	\$9,775,263	\$9,775,263	\$17,731,092	\$17,731,092
Other Costs Subtotal	(\$5,232,038)	\$6,185,196	\$26,833,144	\$28,913,529	\$20,597,910	\$21,375,468	\$42,199,016	\$56,474,194
Total IBM Invoice	\$30,948,803	\$42,366,036	\$147,231,643	\$149,312,029	\$85,598,316	\$86,375,875	\$263,778,762	\$278,053,940
Outsourcing Costs								
DIR Cost Recovery	\$1,248,038	\$1,217,997	\$4,333,850	\$4,093,128	\$2,541,585	\$1,810,379	\$8,123,474	\$7,121,503
Net Enterprise License Recovery Impact	\$298,000	\$298,000	\$2,779,650	\$2,779,650	\$1,350,232	\$1,350,232	\$4,427,882	\$4,427,882
State Compensation Payout	\$1,431,310	\$1,431,310	\$0	\$0	\$0	\$0	\$1,431,310	\$1,431,310
Network Connectivity to Provider	\$52,000	\$52,000	\$250,205	\$250,205	\$244,538	\$244,538	\$546,743	\$546,743
Space Reclamation and Energy Savings	\$0	\$0	(\$114,511)	(\$114,511)	(\$115,240)	(\$115,240)	(\$229,751)	(\$229,751)
Application remediation and desktop modifications	\$250,000	\$250,000	\$2,500,000	\$2,500,000	\$1,000,000	\$1,000,000	\$3,750,000	\$3,750,000
State of Texas tax revenue	(\$937,161)	(\$912,638)	(\$2,568,602)	(\$2,426,664)	(\$1,647,629)	(\$1,172,312)	(\$5,153,392)	(\$4,511,614)
Other Costs of Outsourcing Total	\$2,342,187	\$2,336,669	\$7,180,592	\$7,081,808	\$3,373,487	\$3,117,597	\$12,896,266	\$12,536,073
Organic Growth								
Total Organic Growth Cost	N/A	\$1,019,600	N/A	\$8,258,004	N/A	\$24,856,880	N/A	\$34,134,484
Request for New Service Costs	N/A	\$47,275	N/A	\$1,396,016	N/A	\$890,213	N/A	\$2,333,503
RFNS (UNISYS)						\$8,982,607		\$8,982,607
HSC - New Application Server Hardware	N/A	\$49,595	N/A	\$2,104,283	N/A	\$540,332	N/A	\$2,694,210
HSC - Software	N/A	\$868,999	N/A	\$2,792,341	N/A	\$8,279,016	N/A	\$11,940,357
HSC - Maintenance	N/A	\$0	N/A	\$0	N/A	\$0	N/A	\$0
HSC - Assumed Equipment Leases	N/A	\$0	N/A	\$0	N/A	\$0	N/A	\$0
Percent of Total Charges	N/A	2%	N/A	6%	N/A	\$2	N/A	\$2
Other Costs of Outsourcing	N/A	\$29,313	N/A	\$226,267	N/A	\$519,385	N/A	\$774,966
DIR Cost Recovery	N/A	\$29,313	N/A	\$226,267	N/A	\$519,385	N/A	\$774,966
Agency Cost of Outsourcing	N/A	\$1,048,913	N/A	\$8,487,156	N/A	\$25,376,265	N/A	\$34,912,334
Enterprise Adjustments	N/A	(\$24,523)	N/A	(\$141,938)	N/A	(\$475,317)	N/A	(\$641,778)
State of Texas tax revenue	N/A	(\$24,523)	N/A	(\$141,938)	N/A	(\$475,317)	N/A	(\$641,778)
DCS Program Organic Growth Costs	N/A	\$1,025,119	N/A	\$8,345,218	N/A	\$24,900,948	N/A	\$34,271,285
Organic Growth Total		\$1,025,119		\$8,345,218		\$24,900,948	N/A	\$34,271,285
Total Costs of the DCS Program	\$33,290,990	\$43,677,586	\$154,412,235	\$148,048,619	\$88,971,803	\$64,592,523	\$276,675,028	\$256,318,728

Appendix B: DCS Program Resource Unit rates

Description	Base Case/ Pre-Outsourcing Unit Rates							IBM 2007 Blended Rates														IBM 2008 Blended Rates								
	2007/2008	2009	2010	2011	2012	2013	2014	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09
MVS Application CPU Hours - Class 1	\$370	\$381	\$392	\$404	\$416	\$429	\$441	\$545	\$518	\$522	\$510	\$517	\$374	\$342	\$393	\$385	\$372	\$388	\$376	\$365	\$379	\$369	\$255	\$274	\$362	\$342	\$369	\$355	\$336	\$355
MVS Application CPU Hours - Class 2	\$870	\$896	\$923	\$951	\$979	\$1,008	\$1,039	\$0	\$0	\$0	\$0	\$0	\$631	\$620	\$602	\$604	\$592	\$600	\$549	\$584	\$601	\$599	\$595	\$602	\$646	\$624	\$682	\$647	\$634	\$640
MVS Application CPU Hours - Class 3	\$1,848	\$1,904	\$1,961	\$2,020	\$2,080	\$2,143	\$2,207	\$1,312	\$1,238	\$1,287	\$1,238	\$1,453	\$796	\$774	\$797	\$814	\$770	\$779	\$774	\$771	\$766	\$778	\$767	\$744	\$831	\$831	\$831	\$796	\$773	\$805
MVS Application CPU Hours - Class 4	\$772	\$795	\$819	\$844	\$869	\$895	\$922	\$1,979	\$1,984	\$1,923	\$1,961	\$1,909	\$942	\$874	\$935	\$966	\$875	\$869	\$857	\$870	\$958	\$967	\$954	\$962	\$1,095	\$947	\$992	\$1,097	\$1,142	\$1,020
UNISYS MIPS	\$1,711	\$1,762	\$1,815	\$1,869	\$1,925	\$1,983	\$2,043						\$7	\$8	\$5	\$4	\$4	\$4	\$4	\$4	\$5	\$4	\$2	\$2	\$6	\$3	\$4	\$5	\$4	\$4
Mainframe Allocated Application DASD	\$5	\$5	\$5	\$5	\$5	\$5	\$6	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4
UNISYS DASD	\$75	\$77	\$79	\$81	\$84	\$86	\$89	\$0	\$0	\$0	\$0	\$0	\$110	\$111	\$110	\$110	\$117	\$116	\$112	\$113	\$113	\$114	\$115	\$114	\$116	\$254	\$252	\$250	\$250	\$249
Application Tapes in Storage	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$8	\$7	\$7	\$7	\$8	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$0	\$0	\$0	\$0	\$0	\$0
Application Tapes in Storage - Virtual Tape Storage	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$5	\$4	\$4	\$4	\$4	\$1	\$1	\$1	\$1	\$1	\$0	\$1	\$1	\$1	\$1	\$1	\$1	\$0	\$0	\$0	\$0	\$0	\$0
Application Tapes in Storage - Virtual Tape Storage Unisys	\$1	\$1	\$1	\$1	\$1	\$1	\$1	N/A	N/A	N/A	N/A	N/A	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1
Print Pages - Standard (000s)	\$38	\$39	\$41	\$42	\$43	\$44	\$46	\$39	\$41	\$42	\$41	\$42	\$35	\$36	\$37	\$36	\$36	\$38	\$37	\$37	\$37	\$38	\$37	\$37	\$35	\$35	\$37	\$35	\$35	\$36
Print Pages - Custom (000s)	\$34	\$35	\$36	\$37	\$38	\$39	\$40	\$34	\$32	\$32	\$34	\$33	\$31	\$31	\$31	\$31	\$30	\$30	\$31	\$30	\$31	\$30	\$31	\$30	\$29	\$30	\$29	\$29	\$29	\$29
Mailing Insertions - Standard (000s)	\$58	\$60	\$62	\$63	\$65	\$67	\$69	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Mailing Insertions - Custom (000s)	\$62	\$64	\$66	\$68	\$70	\$72	\$74	\$64	\$64	\$64	\$64	\$64	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$58	\$69	\$71	\$73	\$69	\$69	\$71
Microfiche - Originals/Duplicates	\$0	\$0	\$0	\$0	\$0	\$0	\$1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CD Production - Creates/Re-creates	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Optical Storage	\$6	\$6	\$6	\$6	\$6	\$7	\$7	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5

Description	Base Case/ Pre-Outsourcing Unit Rates							IBM 2007 Blended Rates														IBM 2008 Blended Rates									
	2007/2008	2009	2010	2011	2012	2013	2014	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	
Application Servers																															
SITE TYPE: Data Center																															
Intel (Wintel, Novell, Linux)																															
High Complexity/Service Level	\$882	\$909	\$936	\$964	\$993	\$1,023	\$1,053	\$859	\$858	\$858	\$869	\$852	\$814	\$737	\$735	\$730	\$730	\$725	\$732	\$733	\$712	\$728	\$625	\$702	\$702	\$702	\$702	\$702	\$702	\$702	
Medium Complexity/Service Level	\$717	\$738	\$761	\$783	\$807	\$831	\$856	\$693	\$689	\$689	\$691	\$691	\$666	\$694	\$707	\$706	\$693	\$694	\$694	\$698	\$683	\$692	\$648	\$715	\$715	\$715	\$715	\$715	\$715	\$715	
Low Complexity/Service Level	\$538	\$554	\$570	\$587	\$605	\$623	\$642	\$513	\$515	\$513	\$513	\$518	\$490	\$500	\$507	\$509	\$509	\$511	\$517	\$523	\$525	\$522	\$485	\$531	\$531	\$531	\$531	\$531	\$531	\$531	
UNIX																															
High Complexity/Service Level	\$1,263	\$1,301	\$1,340	\$1,380	\$1,422	\$1,465	\$1,508	\$1,294	\$1,300	\$1,300	\$1,300	\$1,289	\$1,208	\$1,221	\$1,189	\$1,199	\$1,180	\$1,178	\$1,181	\$1,176	\$1,129	\$1,134	\$1,054	\$1,142	\$1,142	\$1,142	\$1,142	\$1,142	\$1,142	\$1,142	
Medium Complexity/Service Level	\$1,095	\$1,128	\$1,162	\$1,197	\$1,233	\$1,270	\$1,308	\$1,083	\$1,080	\$1,080	\$1,080	\$1,080	\$970	\$1,082	\$1,028	\$1,030	\$1,027	\$1,026	\$1,026	\$1,029	\$1,010	\$1,016	\$954	\$1,045	\$1,045	\$1,045	\$1,045	\$1,045	\$1,045	\$1,045	
Low Complexity/Service Level	\$1,039	\$1,070	\$1,102	\$1,135	\$1,169	\$1,204	\$1,241	\$1,044	\$1,044	\$1,044	\$1,081	\$1,053	\$976	\$1,062	\$1,050	\$1,050	\$1,054	\$1,054	\$1,050	\$1,046	\$1,032	\$1,036	\$944	\$1,153	\$1,153	\$1,153	\$1,153	\$1,153	\$1,153	\$1,153	
SITE TYPE: REMOTE LOCATIONS																															
Urban Locations																															
Intel (Wintel, Novell, Linux)																															
High Complexity/Service Level	\$668	\$688	\$708	\$730	\$751	\$774	\$797	\$847	\$825	\$836	\$836	\$836	\$606	\$912	\$742	\$753	\$746	\$748	\$748	\$768	\$762	\$762	\$358	\$671	\$671	\$671	\$671	\$671	\$671	\$671	
Medium Complexity/Service Level	\$610	\$628	\$647	\$667	\$687	\$707	\$729	\$705	\$707	\$706	\$706	\$706	\$570	\$744	\$659	\$658	\$658	\$658	\$653	\$660	\$655	\$650	\$481	\$636	\$636	\$636	\$636	\$636	\$636	\$636	
Low Complexity/Service Level	\$422	\$435	\$448	\$461	\$475	\$489	\$504	\$502	\$502	\$502	\$502	\$502	\$384	\$495	\$429	\$432	\$432	\$434	\$434	\$426	\$427	\$427	\$377	\$437	\$437	\$437	\$437	\$437	\$437	\$437	
UNIX																															
High Complexity/Service Level	\$995	\$1,025	\$1,055	\$1,087	\$1,120	\$1,153	\$1,188	\$1,391	\$1,391	\$1,391	\$1,391	\$1,391	\$870	\$2,113	\$1,634	\$799	\$1,409	\$1,409	\$1,409	\$1,409	\$1,409	\$1,409	(\$1,295)	\$1,127	\$1,127	\$1,127	\$1,127	\$1,127	\$1,127	\$1,127	
Medium Complexity/Service Level	\$1,197	\$1,233	\$1,270	\$1,308	\$1,347	\$1,387	\$1,429	\$2,477	\$2,477	\$2,477	\$2,477	\$2,477	\$2,386	\$1,244	\$1,244	\$1,339	\$1,339	\$1,339	\$1,339	\$1,244	\$1,244	\$1,244	\$1,244	\$1,244	\$1,244	\$1,244	\$1,244	\$1,244	\$1,244	\$1,244	\$1,244
Low Complexity/Service Level	\$1,010	\$1,040	\$1,071	\$1,104	\$1,137	\$1,171	\$1,206	\$1,124	\$1,124	\$1,124	\$1,124	\$1,124	\$984	\$1,459	\$1,459	\$1,459	\$1,459	\$1,459	\$1,459	\$1,802	\$1,802	\$1,802	(\$3,269)	\$4,971	\$4,971	\$4,971	\$4,971	\$4,971	\$4,971	\$4,971	
Rural Location																															
Intel (Wintel, Novell, Linux)																															
High Complexity/Service Level	\$766	\$789	\$813	\$837	\$862	\$888	\$914	\$868	\$868	\$868	\$868	\$868	\$692	\$803	\$803	\$803	\$803	\$803	\$803	\$803	\$803	\$803	\$803	\$803	\$748	\$748	\$748	\$748	\$0	\$0	
Medium Complexity/Service Level	\$589	\$607	\$625	\$643	\$663	\$683	\$703	\$698	\$698	\$698	\$698	\$698	\$536	\$671	\$591	\$589	\$584	\$584	\$584	\$584	\$584	\$584	\$582	\$589	\$554	\$561	\$539	\$559	\$561	\$562	
Low Complexity/Service Level	\$428	\$440	\$454	\$467	\$481	\$496	\$511	\$450	\$450	\$450	\$450	\$450	\$378	\$419	\$419	\$467	\$467	\$467	\$467	\$467	\$467	\$467	\$467	\$467	\$534	\$437	\$437	\$437	\$437	\$437	
UNIX																															
High Complexity/Service Level	\$882	\$909	\$936	\$964	\$993	\$1,023	\$1,053	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Medium Complexity/Service Level	\$717	\$738	\$761	\$783	\$807	\$831	\$856	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Low Complexity/Service Level	\$538	\$554	\$570	\$587	\$605	\$623	\$642	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Other Application Servers																															
MSDOS Legacy Server Replace - DC Campus	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$104	\$0	\$0	\$0	\$0	
MSDOS Legacy Server Replace - Remote	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$208	\$208	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$217	\$0	\$0	\$217	\$0	

Appendix C: DCS scorecard (contract to date)

Realized Savings Calculation	
Cost Type	Contract-to-Date Total
Total Pre-outsourcing Cost of Base Services (Pre-outsourcing costs)	\$266,022,753
Total DCS Costs	\$256,314,668
<i>Total Realized Savings</i>	<i>\$9,708,085</i>
Percent Savings	3.65%

Organic Growth Calculation	
Cost Type	Contract-to-Date Total
Total Pre-outsourcing Growth Cost	\$9,500,064
Total Current Growth Cost	\$8,183,807
<i>Total Organic Growth Savings</i>	<i>\$1,316,256</i>
Percent Savings	13.86%