



OFA/DNC Hosting Proposal

April 28, 2009

Overview

Organizing for America (OFA) and the Democratic National Committee (DNC) each have separate contracts with Blue State Digital (BSD). The OFA contract provides for BSD to host the my.barackobama.com web site on dedicated server hardware. The DNC contract presumes that the DNC will host the democrats.org site on its in-house hosting infrastructure.

The current model is not cost-effective. OFA and the DNC are paying for two sets of hosting infrastructure. Additionally, the reliability of the in-house DNC infrastructure has proved to be both unacceptably poor (especially in the areas of uptime and email deliverability) and has been an impediment to some feature deployment, including re-integration of neighbor-to-neighbor.

This proposal summarizes the current hosting situation and proposes an alternative that would host both the DNC and OFA sites on a single set of BSD-hosted infrastructure. The result should be overall cost-savings and improved service and reliability for the DNC site.

Summary of Current License and Hosting

Organizing for America:

Base fee is \$15,000/month for licensing, support, and software updates. In addition, OFA pays \$14,450/month in dedicated hardware fees. Most months, there are overages of approximately \$5-10K for mailing list size, bandwidth, and contribution fees.

Total monthly cost for OFA is \$35-40K.

Democratic National Committee:

The DNC currently pays BSD \$5,225 for access to regular software updates and support. In addition, the DNC pays \$2,824 for 20 hours of systems administration support (BSD assisting DNC's in-house systems administrators). Total monthly BSD charges are \$8K.

In addition, the DNC pays to maintain a set of in-house server infrastructure. Although BSD does not have access to the exact costs, we would estimate that the DNC is spending approximately \$15K/month in hosting, co-location, bandwidth, and other vendor charges, \$15-18K/month in staff and personal costs, and \$4K/month in amortized hardware costs.

The total monthly cost for the DNC is estimated to be \$42-45K.

Overall

Across both the DNC and OFA, the total cost for licensing and hosting is \$77-85K/month.

Proposed Replacement Structure

BSD proposes to provide a unified pricing structure for both the DNC and OFA. Both sites would be hosted by BSD on hardware that is dedicated to these two sites. BSD would have all responsibility for maintaining, supporting, and updating the systems.

As with all our hosted clients, BSD would provide:

- Hosting in secure co-location facilities in Boston and Chicago
- Regular software updates
- 24/7 monitoring of site and hardware
- 24/7 on-call systems administrator who can respond to site problems
- Offsite database backup
- Email deliverability monitoring and management
- Access to spare BSD hardware in the event of an emergency
- Use of shared BSD infrastructure components including ZXTM Layer 7 load balancer and expansive mail delivery infrastructure

Licensing, Support, and Maintenance

Because the DNC and OFA each have a separate copy of the BSD toolset that must be maintained independently, each site would be billed separately. However, this proposal would unify the pricing structure so that there is consistency for both sites. Each site would be billed at:

\$9,750 base technology fee

\$0.35 per contribution

\$150 for each 100,000 email list subscribers over 4 million

\$0.10 per page for faxes sent through advocacy tools

\$0.35 per GB of data transferred

This pricing is nearly identical to the current OFA pricing structure, but with a discount to reflect falling bandwidth prices. The following chart shows what the DNC and OFA costs would have been for the month of March 2009 under this pricing model:

Description	DNC Charges	OFA Charges
Base technology fee	\$9,750	\$9,750
Contribution charge	\$3,096	\$302

Email list subscriber charge	\$0	\$10,245
Fax charge	\$3	\$0
Bandwidth charge	\$1,050 (est.)	\$3,017
Total Charges	\$13,799	\$23,314

Under this model, the licensing, support, and maintenance costs for March 2009 would have been a combined \$37,113 for both the OFA and BSD sites.

Dedicated Hardware

BSD already hosts the OFA site on dedicated hardware. We propose to use much of the same hardware to host the DNC site as well. This arrangement, possibly with small additions of new gear, should be sufficient through the 2010 cycle. However, once we enter into the 2012 election cycle, we may want consider splitting the DNC and OFA onto their own hardware so as to provide maximum scaling capabilities for the re-elect.

The current OFA dedicated hardware is as follows:

- 1 x Primary production database
- 1 x Secondary replica database
- 1 x Neighbor-to-Neighbor database
- 4 x Web servers
- 1 x Cron server
- 1 x Reporting database

The current cost for this dedicated hardware is \$14,550/month.

In order to migrate the DNC onto this platform, BSD would need to add the following additional dedicated hardware:

- 1 x Staging server
- 2 x Web servers
- 1 x Shelf of disks for NetApp SAN

The up-front cost to acquire and install this new hardware would be \$34,500. If the DNC is able to transfer existing web/staging server hardware to BSD, a credit for the fair market value of this gear would be applied against the purchase and installation costs.

With the addition of this new hardware, the total monthly fee would rise to \$20,750 (from its current \$14,550).

Migration of DNC Site

The final piece of the puzzle is the migration of the existing DNC site to the new hosting infrastructure. BSD will migrate the:

- Existing Moveable Type installation, including existing content, workflow system, and deployment tools
- Full BSD/Party Builder toolset including all existing forms, contribution pages/history, mailing history, and user data

A migration fee of \$45,000 will cover the cost of planning and executing a site move, minimizing downtime and ensuring a smooth cutover. All required software modification and systems administration work needed to execute the move is included. However, cooperation and support from the DNC's technology team will be required to ensure an orderly migration. This fee includes all necessary travel, shipping, and bandwidth costs, as well as the approximately 250 hours of labor necessary to successfully effect a migration of the site while minimizing downtime.

Adding It Up

Up-front costs

The table below shows total up-front costs for effecting the hosting solution proposed in this document.

Description	Amount
Additional dedicated hardware purchase and installation	\$34,500
Migration of DNC site	\$45,000
Total Up-front Costs:	\$79,500

Monthly Costs

The table below shows total monthly costs under the new pricing structure, using same usage numbers from March 2009.

Description	Amount
OFA base technology fee (fixed)	\$9,750
OFA bandwidth, contribution, fax, and mailing list charges (variable - estimated based on March 2009)	\$13,500

DNC base technology fee (fixed)	\$9,750
DNC bandwidth, contribution, fax, and mailing list charges (variable - estimated based on March 2009)	\$4,000
Dedicated hosting	\$20,750
Total Monthly Costs (estimated based on March 2009):	\$57,750

Savings Summary

The current combined cost for hosting the DNC and OFA sites is estimated to be \$77-85K/month. Based on our assumptions of the current DNC hosting costs, the structure outlined in this proposal would save the DNC approximately \$20-25K/month. The additional upfront costs would be recouped in 3-4 months. The time to recoup could be further decreased by selling DNC-owned hardware that will no longer be needed once the site is migrated.

Timeline

We estimate that the migration of the DNC site into the BSD hosting infrastructure will take approximately 8-10 weeks. This include the time needed to order and configure hardware, planning for the migration, a fully executed dry-run of the migration process, the actual transfer of the site, and subsequent clean up and issue resolution.

Custom Development

Custom development is addressed in a separate statement of work.

Next Steps

1. Review and discuss proposal
2. Agree to terms and sign revised contract
3. BSD will provide draft schedule for DNC site migration for review
4. BSD will work to identify milestones and DNC requirements for migration