

**IT Cost Saving Initiatives/Proposals for Consideration
With
Narrative Descriptors**

Category 1: Projects Relatively Easy to Do. Will proceed with implementation and report back

1. Telecommunications Services:

a. Toll bypass and Tail end hop-off- Estimated Savings \$120,000 per year

This change would allow UA to eliminate all long-distance charges to any on or off-campus telephones in communities with a UA campus presence.

Toll bypass is the process by which a telephone voice-over-IP (VoIP) system can be configured to route phone calls over the computer network to another VoIP system at another location bypassing the traditional telephone network and thus avoiding long-distance charges. (Example: A phone call placed from the Fairbanks Campus to the Anchorage or Juneau Campus would travel over the computer network and incur no long distance charges)

Tail End Hop-off is a process similar to toll bypass in which a phone call traverses the computer network to another city, but the phone call then hops off that computer/VoIP network out to a local organization locally as if it were placed as a local call from that location. (Example: A phone call placed from the Fairbanks Campus to the Governor's Office in Juneau would travel over the computer network from the Fairbanks Campus to the Juneau campus and then would leave the Juneau phone system as a local call to the Governor's Office as if the call were being placed from Juneau to begin with.)

b. UA wide long distance rates - Estimated Savings \$24,000 per year

When a long distance call does have to travel over traditional long distance routes, rates vary across the State. UA should negotiate lower rates for all UA.

c. Seek lower cost options for audio conferencing - Estimated Savings \$100,000 per year

UA currently spends nearly \$250,000 per year on audio conferencing. Seeking lower cost or no cost solutions should be explored. An RFP for audio conference services should be completed to identify current market and drive lowest cost/best value services.

**d. Reduce / renegotiate cell-phone contracts (\$100k total cost)
-Estimated Savings \$10,000 per year**

e. Acquire Lower 48 SIP trunk to eliminate long distance charges to Lower 48 - Estimated Savings \$60,000 per year

SIP trunking is Voice over Internet Protocol (VoIP) and streaming media service based on the Session Initiation Protocol (SIP) by which Internet telephony service providers (ITSPs) deliver telephone services to customers.

A **SIP trunk** is a direct connection between your organization, in this case UA, and an Internet telephony service provider (ITSP). It enables you to extend voice over IP (VoIP) telephony beyond your organization's firewall without the need for an IP-PSTN gateway. For example: If UA acquired a SIP Trunk in Seattle, telephone calls would transit the UA computer network to a SIP provider in Seattle and would be transmitted as a lower 48-lower 48 phone call.

SIP allows people around the world to communicate using their computers and mobile devices over the Internet. It is an important part of Internet Telephony and allows you to harness the benefits of VoIP (voice over IP) and have a rich communication experience

**f. Acquire Nationwide calling Plan for UA based on SIP trunk service
-Estimated Savings To Be Determined**

If UA does acquire a SIP trunk to the Lower 48, that would open greater opportunity for UA to acquire a Nationwide calling plan with a national provider, thus eliminating or reducing nearly all long distance charges to the Lower 48.

2. Review Chariot Group and consider RFP-Estimated Savings \$188,000 per year

Chariot Group is a major provider of classroom technologies, equipment and professional services. In 2016, UA spent \$1.88M with this vendor. Rebidding a service contract for this type of equipment could yield as much as a 10% savings. Of note: \$1.1M of that spend was for the new engineering building in Anchorage. Spikes occur when major construction or renovation projects are happening. It does, however, still represent an area for further negotiation and cost savings.

3. Reduce "embedded" IT staff- Estimated Savings \$1,000,000 - \$2,00,000 per year

This initiative is mandated by Strategic Pathways 1 and is currently underway. There are, to date, 48 less embedded IT positions funded than there were in FY15. UAA and UAF continue to examine such positions and will soon make recommendations for their respective campuses. This effort could reduce embedded IT positions by another 10% or approximately 10-20 positions.

4. Renegotiate Software Licensing and Maintenance:Estimated Savings \$500,000 per year

- a. UA spends approximately \$8M per year on software and maintenance. Examine and consolidate enterprise contracts, combine separately acquired contracts, negotiate multi-year contracts and renegotiate all maintenance contracts to maximize savings. For Example:
- b. Cisco Maintenance (internal self-insure)
- c. Migrate from Oracle to lower cost (or free) option
- d. Migrate Roxen to lower cost option
- e. Move more software /maintenance agreements to multi-year to increase savings
- f. Seek UA wide SPSS licensing

Category 2: Projects that will take more investigation into actually expenses and more accurate savings. Will take 6-8 months.

1. Copiers and printers move to fewer, multi function devices on service contracts-Estimated Savings \$80,000 per year

Multifunction printer/copier/scanner/fax systems under negotiated usage based support contracts offer multiple efficiencies.

- i. Departments do not have to maintain stockpiles of consumable supplies such as toner, drum units, fuser assemblies, etc.
- ii. Shared multifunction devices consolidate functionality resulting in fewer devices and lower support and operational costs (including power consumption)
- iii. Additional reductions are achieved by shifting workgroups away from personal devices (printers, scanners, fax, etc.) to pooled resources.
- iv. Support contracts effectively outsource technical support, allowing internal IT resources to focus on higher priority needs.

During the IT Spend analysis it was discovered that there are many different copier service contracts across the UA System. Each University and in many cases each School or College is free to choose its copier service, or to not operate under a support contract at all. Contracts vary from a lease model to purchase and copier recharge. An examination of system wide copier service models and contracts may lead to system savings through contract, bidding and service consolidation.

Since the State of Alaska regularly negotiates support contracts, UA should review if additional savings could be gained by being part of a larger negotiated pool.

2. Cloud versus VM for generic server services for depts? Estimated Savings \$50,000 per year

Examine use of all departmental servers for maximum cost effectiveness. Using a cloud service or virtual server rather than a physical server. Subjecting individual server purchases to additional approvals and requiring a clearly demonstrated business or programmatic requirement.

3. Migrate to open source course management systems and office software - Estimated Savings \$400,000 per year

a. Open Office instead of Microsoft Office

Eliminate University-wide licensing of the Microsoft Office suite, subjecting individual purchases to additional approvals and requiring a clearly demonstrated business or programmatic requirement. Alternatives could include open source suites such as Open Office, Libre Office or G-Suite.

b. Moodle instead of Blackboard

Eliminate the use of Blackboard in favor of an open source Learning Management System such as Moodle.

4. Expedite two way banner interfaces (eliminate data rekey) Estimated Savings \$500,000 per year

Process Automation is a key to streamlining technology and business processes. Savings in this category will most likely occur at the unit level as processes are redesigned and automated. This area will also require initial investment.

5. Continue to examine options for reducing network costs. Estimated Savings \$500,000 per year

Over the past two years, UA has managed to decrease network costs by \$1,500,000 through contract negotiations and discontinuation of services. Continued examination of opportunities through new technology providers, discontinuation of services and new models of working together, such as cost center financial reporting, joint budgeting and planning could result in additional savings as customer feedback and input is incorporated into shaping the future of the service.

Category 3: Projects that will be difficult due to political, cultural, or personal nature of change. Will require IT Council consideration and recommendations.

1. Limit the number of macs purchased - Estimated Savings \$400,000 per year

The University utilizes two main platforms for personal desktop and laptop computing: Microsoft Windows based PCs and Apple based PCs. For the most part, the option of a Mac versus PC is made on the basis of preference (individual or departmental) and not based on a clearly defined technical requirement. Apple computers cost 30% to 40% more than a Windows based PC.

In addition to the cost difference between the devices themselves, there must be in place structures and services for managing and support two

platforms: Dual software packages, dual management systems, dual support structures.

The University spends over \$900,000 per year on Apple products. This includes desktop, laptop, and tablet purchases. Subjecting Apple purchases to additional approvals and requiring a clearly demonstrated business or programmatic requirement for a Mac could save the University \$400,000 per year.

2. Do no more video conferencing-Estimated Savings \$849,000 per year

The University currently operates systemwide video conferencing service as a recharge. Total FY17 annual operating costs (shared among the campuses based on proportional usage) for this service are \$849,000. In addition to the annual cost, campuses bear the responsibility for provisioning classrooms and conference rooms with end point equipment, representing a material depreciable expense. It is assumed there are significant costs to maintain and refresh this equipment that are not captured in the central operating budget.

This option would eliminate the videoconference service as it stands today in favor of no cost, or low cost options, most likely web-based conferencing solutions. OIT has looked at outsourcing the traditional video conferencing service in the past, however, the outcome would have just been a cost shift and not a cost savings.