

## Academic Administration and Support

**Title: Rapid Delivery of Library Materials among UNC Campuses**

Description: Rapid delivery of library resources would result in better service for students and faculty. This proposal builds on the cooperative spirit of sharing already in place among the libraries.

Positives:

Challenges:

Issues: Negotiating a rapid-delivery contract  
Obtaining a central facility.

Real Savings: No cost savings, savings in delivery times and resultant productivity of faculty and students. Investment is required.

Follow-up: Solicitation of bids should proceed, to be accomplished from existing resources.

**Title: One Library Catalog System**

Description: Among UNC campuses, there are three library cataloging systems. Implementing a virtual catalog would allow library users to access all 16 library collections with a single search.

Positives:

Challenges:

Issues: No savings. Investment is required - \$670,000 in the first year followed by lesser amounts in years 2 and 3.

Real Savings: Librarians are working together to accomplish this from current resources.

Follow-up: Go.

**Title: Centralized Approval Contract for UNC Libraries**

Description: Leverage the buying power of the UNC Libraries to negotiate best discount terms with a single vendor.

Positives:

Challenges:

Issues: Larger campuses already achieve discounts. This would benefit smaller campuses.

Real Savings:

Follow-up: The Committee recommends further study. It is believed that 7 institutions will have savings.

**Title: UNC Libraries Coordinated Purchasing of Electronic Resources**

Description: Building on successful cooperative efforts of coordinated purchasing, ULAC is encouraged to seek ways to expand NC LIVE to grow its collective electronic resources beyond its current levels.

Positives:

Challenges:

Issues:

Real Savings: Savings occur on future purchases and the obtainment of quality resources for faculty and students.

Follow-up: Immediately, led by University librarians.

## **Academic Administration and Support**

### **Title: Remote Storage Facility for Library Materials**

Description: A newly constructed, state-wide storage facility for libraries would provide secure climate-controlled storage using high density shelving, allowing on-campus basis to be freed up.

Positives:

Challenges:

Issues:

Investment of \$25,000,000 required for facility. Recurring operating costs would be needed. Savings occur from not expanding at each campus. If facility was to be leased rather than constructed, it would cost \$2,000,000 more per year.

Real Savings:

Follow-up:

### **Title: Central Electronic Records Management (Archiving)**

Description: A systematic approach to electronic records management is needed.

Positives:

Challenges:

Issues:

Can this be combined with the disaster recovery/business continuity plans?

The calculated savings are based on not creating 16 different approaches. The recommendation requires an initial investment of \$1,000,000 and recurring costs of \$16,000,000 annually.

Real Savings:

Follow-up:

The issue is important and must be addressed.

### **Title: Expand Use of Virtual Advising - A Suggestion for Campus Level Consideration**

Description: Expand the concept of central advising that has been implemented at NCSU to the system.

Positives:

Challenges:

Issues:

Real Savings:

Follow-up:

The Committee recommends further study. This is a best practice to be shared and considered by others.

## **Auxiliary Services Working Group**

### **Title: Vending Revenue Enhancement**

Description: Proposals for examining current contracts with drink vendors.  
Sharing of ideas and renegotiation of contracts as they expire could result in increased revenues for the campuses.

Positives: The increases vary from campus to campus.

Challenges:

Issues:

Real Savings: Revenue enhancing ideas provide more funds for debt service, student life programs, and scholarships. Does not affect state appropriated accounts.

Follow-up: Campuses should incorporate best practices into contract negotiation as contracts are renegotiated. Larger campuses with experience can help the smaller campuses negotiate.

### **Title: Vending Regulatory Relief. Repeal G.S. 143-64.**

Description: G.S. 143 precludes the ability to solicit proposals for exclusive beverage contracts. The contracts for the sale of juice and bottled water must be bid separately from each other and from any other contract.

Positives:

Challenges: Water bottlers will be opposed to the repeal of this statute.

Issues:

Real Savings: Failure to repeal this legislation is estimated to cost the 16 campuses \$1.845 million per year in recurring revenues.

Follow-up: Place on non-budget legislative agenda in upcoming session. Ensure that numbers are correct first.

### **Title: Systemwide Dining Contract**

Description: Examine the possibility of a system-wide dining contract assuming that the leverage of the system would generate benefits

Positives:

Challenges: Existing contracts, different debt structures, individual campus needs.

Issues: Because vendors may have to increase managerial oversight, costs could increase.

Real Savings: None identified.

Follow-up: We should explore with large vendors to determine feasibility. Let vendors offer economies.

## **Auxiliary Services Working Group**

Follow-up: The Committee recommends moving forward with this proposal.

**Title: Bookstore Regulatory Relief**

Description: Seek relief for students from paying sales tax on textbooks in one of two ways: (1) exempt all textbooks from sales tax, or (2) remove the \$100 per item limit on the textbook sales tax holiday exemption and establish tax holidays that correspond to the beginning of the spring and fall semester  
Positives: Students pay less for textbooks  
Challenges: Lost tax revenue for state  
Issues:

Real Savings:

Follow-up: On legislative agenda this year. In addition, examine the other caps to see if there are opportunities for improvement.

**Title: Trademark Licensing Registration**

Description: The five institutions (ECSU, FSU, NCSA, UNCP, WSSU) that have do not have trademark licensing programs should register their trademarks.  
Ability to control the school image through prohibition of distasteful images and products; increased revenue stream  
Positives: that could grow over time.  
Challenges: May spend more than received initially  
Issues:

Real Savings:

Follow-up: The Committee recommends that the five institutions move forward. WSSU has already done this.

**Title: Credit Card Fees**

Description: Relationships with credit card companies differ among the campuses and a new statewide contract has resulted in higher credit card fees for some campuses. The University should investigate a systemwide contract with credit card vendors based on University volume and should further have the ability to make an additional charge to cover processing fees for tuition and fee payments. Credit card policies should be uniform throughout the system.  
Positives:  
Challenges:  
Issues:

## **Auxiliary Services Working Group**

### **Title: Dining Best Practices**

Description: Surveying and discussing best practices throughout the system will result in improvements in dining management.  
Positives:  
Challenges:  
Issues:  
Real Savings: To be determined over time  
Follow-up: Begin the process immediately. Chapel Hill and NCSU to take the lead.

### **Title: Self-Managed Textbook Buyback**

Description: Form a system-wide consortium for buying used textbooks  
Positives: \$ for bookstores, \$ for students, more availability of used texts to lower cost of books  
Challenges: Up front funding, storage  
Issues:  
Real Savings: Investment of \$700,000 required to implement the program which is repaid in approximately two years.  
Follow-up: The Committee recommends further study and implementation as soon as possible. NCSU, UNC-CH and ECU are piloting.

### **Title: Leveraging Large Self-Operated Store Efficiencies**

Description: Align Large and Small bookstores in the system to allow smaller stores to take advantage of volume purchases by large stores, reductions in sales to expense ratios, increases in gross margin and increases in net revenues.  
Positives: Efficiencies for smaller stores  
Challenges: Consolidation of back office functions, cultures  
Issues:  
Real Savings: Calculation of savings per student.  
Follow-up: The Committee recommends moving forward with this proposal.

### **Title: Best Practices - Contract Stores**

Description: This six bookstores in the system that are contract operated should form a best practices group and share information.  
Positives: Better management of contracts.  
Challenges: Contractors may not support sharing of financial information.  
Issues:  
Real Savings: Calculation of savings per student.  
Real Savings: Unknown amount, but real savings.  
Follow-up: The Committee recommends further study but we should proceed.

## **Construction/Leasing Working Group**

### **Title: Construction Document Review Process**

Description: Three reviews by DOI are unnecessary and time consuming. Opt for one review either by either DOI, the county or municipality, or an independent qualified code-enforcement official.

Positives: Less Bureaucracy

Challenges: DOI

Issues: Informal limit of \$300k being too low was also recommended by the facilities group.  
Is there information available that shows that the final review would be just as productive as the three reviews?  
Are different levels of delegation to different campuses possible?  
We need to make certain the numbers are correct. Jim Long had different numbers from us last year.

Real Savings: Yes, but in the ability to accomplish more capital projects.

Follow-up: Ask for one review instead of three. Move on this this year. Duke/industry have a single review.

### **Title: Poor Quality from Low Bid Contractors.**

Description: Appears to have been resolved in 2001.

### **Title: Designer Selection Process - Time Frame from Project Authorization to Designer Selection**

Description: Allowing the designer selection process to begin before a project is authorized would allow us to make the selection more quickly once the project is authorized.

Positives: Shortens time frame

Challenges: If the project is not authorized, have we wasted our time? Especially appropriated projects.

Issues: For S/L projects, OSBM can authorize advanced planning. This is done by through written correspondence.  
If the statutes require a designer to be selected within 60 days, why are we spending over 180 days on 30% of our projects? Are we doing this to ourselves?

Real Savings:

Follow-up: Make campuses abide by statutes requiring 60 day implementation. No other action recommended.

### **Title: Contract Award Process - Time Frame Between Bid Opening, Award, and Notice to Proceed**

Description: Average time frame from bid opening to award is 45 days and from award to Notice to Proceed is 50 days. Each should be no more than 30 days.

Positives:

Challenges:

Issues: Time frames seem excessive.  
Issues don't require legislation.

Real Savings:

Follow-up: Campuses control schedule and should be proactive.

## Construction/Leasing Working Group

### **Title: Authorization Limits**

Description: The process for authorizing a capital project takes too long. Limits on the open end design agreement process should be raised. Face to face interviews for all projects over \$500k is time consuming. DOI reviews are not needed on projects less than \$2 million. Informal project processes limited to projects of \$300k or less.

Positives:

Challenges:

Issues: We sought authority to inform Gov Ops when we purchased land since Gov Ops does not meet regularly. Is this a possibility?  
S/L bill is only considered once a year during the legislative session.

Real Savings:

Follow-up: Draft legislation that places Governmental Operations on notice that we will provide information on new capital projects and then proceed within 30 days. Need solid documentation on problems.

### **Title: Lack of Adequate Leasing Authority**

Description: Because we work through the State Property Office, it takes too long to get a lease accomplished.

Positives:

Challenges: the State Property Office,

Issues: The UNC Health Care System has paved the way for an expedited leasing process.  
The recommendation is not for all campuses but for "qualified" campuses?  
If it takes nine months to lease a facility, it is way too long.  
Is there any administrative delegation that can come from the State Property Office?  
Do we have adequate documentation showing the length of time that we now take? Does the UNC Health Care System have documentation showing how the time frame has been reduced?

Real Savings:

Follow-up: Immediately, recognize current administration complications but attempt to work cooperatively with the State Property Office prior to seeking delegation. Need solid documentation on problems.

## Construction/Leasing Working Group

**Title:** Leasing using the Staubach Company

Description: The State process, through the Staubach Company, is not working but is adding an additional layer of bureaucracy

Positives:

Challenges:

Issues: Staubach's fees are added to the cost of the lease.

Where is the proof to back up the accusations? Have we discussed this with the State Property Office and are they in agreement?

Real Savings:

Need to make a hard case before we move forward. Campuses believe this really is a barrier. Can the universities alone be exempt if we do not benefit. We need to see the data before we move forward. The contract is a two-year

Follow-up: contract.

**Title:** Amount of time taken to review leases by the Attorney General's Office is too long.

Leasors can't begin renovations until a lease document is finalized. The review by the Attorney General's Office can add 30 to 90 days.

Positives:

Challenges:

Issues: Solid documentation.

Real Savings:

Follow-up: If we get our own authority to lease, we would secure this also.



## Facilities Management Work Group

<b>Title:</b>	<b>Utilities Savings through Performance Contracting</b>
<b>Description:</b>	Enter Into Performance Contracts to Produce Energy Savings
<b>Positives:</b>	\$ and energy are saved
<b>Challenges:</b>	We have a current statewide limit on funding of \$100 million.
<b>Issues:</b>	We are already doing this at UNC-G, are we successful? Multiple entities that are currently involved - State Treasurer, Budget Office, State Energy Office OSBM scoops excess utility budgets - this is a disincentive. Does raising the limit to \$200 million resolve this? What if we had a system-wide contract, or regional contracts?
<b>Real Savings:</b>	Yes Write letter to Energy Office and OSBM clarifying that we will keep savings. No need to raise \$100 million limit at this time. Check on whether or not energy providers are limited geographically or are they able to serve multiple
<b>Follow-up:</b>	campuses. Follow-up with UNCG about the success of their project.
<b>Title:</b>	<b>Building Electronic Systems Efficiency Improvements (expand to include other systems)</b>
<b>Description:</b>	Low bid awards result in multiple electronic systems on campuses, sometimes within a building. Training and spare parts are expensive.
<b>Positives:</b>	Less training, less inventory, less obsolescence.
<b>Challenges:</b>	The preferred provider, when selected, may become less aggressive in pricing. Legislation is required and has been attempted before. Legislators perceive this as an attempt to eliminate
<b>Issues:</b>	opportunities for small providers, particularly HUB providers. I would have thought that the identified savings would be greater. If they were greater, our argument would be stronger.
<b>Real Savings:</b>	Yes, but not this year.
<b>Follow-up:</b>	We should really do this, it is the right thing to do. We have to plan strategically and recognize what legislators perceive. This has been on the Board's nonbudget legislative agenda before. HVAC systems, fire alarm systems, security systems are all difficult to comingle and should be included in the proposed legislation.

## Facilities Management Work Group

### **Title: Eliminate Barriers to Most Efficient Organization**

Description: Personnel and Purchasing requirements stand in the way of efficiency

Positives:

Challenges:

Issues: No identification of the "innovative contracting methods" that we could employ. What methods are not now available?  
HR recommendations need to be considered by HR.

We can already place quality requirements in our bids to allow not awarding to the low bidder.

Just saying purchasing processes are lengthy is not enough. We need specifics as to why they are burdensome and how we are willing to be accountable.

Personnel regulations which require us to pay unfair salaries and benefits will be challenged by SEANC.

Real Savings: None identified.

No action based on the recommendations of this Work Group but actions will be considered when the

Follow-up: recommendations of other Work Groups are reviewed, e.g., Human Resources.

### **Title: Increase Informal Contract Funding Limits**

Description: Raise the limit on informal contracts from \$300,000 to \$2,000,000

Positives: Efficiency, more opportunity for HUB contractors.

Challenges: State Construction Office

\$2,000,000 is the amount for projects delegated by the State Construction Office to the University to manage. From \$300,000 to \$2,000,000 we have to follow formal bid procedures. Does the campus list of prequalified contractors

Issues: exclude too many contractors and do we limit participation?

We have professional staffs on each campus that can handle this level of delegation.

Why \$2,000,000?

If bonding is not required for up to \$2,000,000, do we place ourselves at risk in dealing with small contractors that may get overextended?

Real Savings: Yes, but savings would show up in the form of more projects being accomplished.

If \$2 million is the right number, do this year. Look at other states. Examine the possibility of a hybrid model that provides bonding for contracts over a certain level but lower than \$2 million. Look at all aspects to see what the

Follow-up: consequences are. Take more time to evaluate, capture efficiencies and protections.

## Facilities Management Work Group

<b>Title:</b>	<b>Provide Budget Relief for Inflation</b>
<b>Description:</b>	The State Budget Office does not authorize increases for inflation for most facilities-related materials and maintenance in the continuation budget process.
<b>Positives:</b>	With appropriate maintenance budgets, maintenance is accomplished on schedule and deferred maintenance does not develop.
<b>Challenges:</b>	We will request more money, not identify savings. We will still want our R&R funds because we have such a backlog.
<b>Issues:</b>	Deferred maintenance is expensive. Maintenance should be performed on an ongoing basis. The State Budget Office does not authorize increases for inflation for most facilities-related materials and maintenance in the continuation budget process. The committee recommends further study. This is not a legislative issue. It is a State Budget Office issue.
<b>Real Savings:</b>	The committee shows \$18.6 million over five years - the calculation should be reviewed.
<b>Follow-up:</b>	No go.
<b>Title:</b>	<b>Raise Force Construction Legislative Funding Limits</b>
<b>Description:</b>	For projects estimated to cost less than \$125,000 with labor costing no more than \$50,000, we can use our internal workforce and do not have to bid the project. The proposal is to raise the project limit to \$500,000 with no stipulation regarding the labor component.
<b>Positives:</b>	We could move very quickly on projects. We need to make sure that we do not spend more than we would otherwise. The earlier arguments about state employees salaries and benefits being higher than those of external contractors may negate the savings.
<b>Challenges:</b>	Small firms that seek this contract work would object.
<b>Issues:</b>	May result in reductions in numbers of HUB contractors performing University work. The committee reports savings of \$900,000. These savings would probably not result in reduced budgets but would result in more projects being funded.
<b>Real Savings:</b>	
<b>Follow-up:</b>	We should do it this year. What is the appropriate level?

## Facilities Management Work Group

### **Title: Implement a Campus Energy Management Program**

**Description:** Campuses could save on energy bills with more effective energy management programs.

**Positives:** Environmentally correct, real savings

**Challenges:** Retaining the savings

**Issues:** Dovetails with request for performance contracting.

Legislation is not required.

We have been telling the State Energy Office that we have been doing this.

We have received appropriations in the past to install energy-related controls and we are able to use R&R funds for this purpose.

**Real Savings:** Yes, but not initially.

**Follow-up:** Immediately. According to Shari, the mechanisms are already in place - we should follow-up to see that campuses are using them.

### **Title: Capital Building Program Efficiency**

**Description:** Well designed buildings require less energy and servicing. We do not consider the operational costs or life cycle costs associated with new construction or renovation of existing facilities.

**Positives:** Less funding needed in the future for energy bills.

**Challenges:** We have done this when possible with bond projects but many of the long-term efficiencies result from spending more now and end up being value-engineered out of the project.

**Issues:** We have had sessions on commissioning with the Bond Alliance.

LEED compliant buildings cost more.

**Real Savings:** Yes, over time.

**Follow-up:** Immediately.

## Facilities Management Work Group

### **Title: Space Management/Utilization.**

Description: Improve space utilization on campus through better practices

Positives: Less new construction needed

Challenges:

Issues: Most of the recommendations are in the "best practices" category and are good recommendations, In the Eva Klein study, we adopted space standards and they were used to determine the size of buildings in the bond program. The standards should be reviewed and updated. The ideas presented for better utilization of space were also the ones generally recommended by Eva, and more recently Alceste Pappas. If we are not doing them, and we probably are not doing them aggressively, we should be. Suggestions such as scheduling systems have previously been made and implemented but maybe not system-wide. We should be using our facilities more effectively during non-peak hours, weekends, summers.

Real Savings: Yes, long-term.

This is the right thing to do and GA should lead. New construction should not be requested until institutions demonstrate that they are using space effectively. Have a performance metric for space. Check on and utilize benchmark data.

Follow-up:

### **Title: Business Process Automation**

Description: A review of facilities-related business processes is needed to ensure effective and efficient operations

Positives: Real efficiencies are to be gained.

Challenges: Process reviews should be conducted from a system-wide perspective, this requires a culture change.

Issues:

Real Savings: Up-front implementation costs, long-term savings

Immediately, by a subset of the Bond Alliance? Look at each bullet separately to see if there is activity underway.

Follow-up: Each campus should examine opportunities.

### **Title: Ease Procurement Restrictions that Hinder Facilities Operations**

Description: Small order purchasing should be raised from \$5,000 to \$30,000. This is the same as the previous recommendation in the Barriers section. Eliminate the requirement for contractors to use state term commodity contracts to provide dedicated material supply operations.

Positives:

Challenges:

Issues: How was the \$30,000 limit determined. Can we demonstrate the savings that occurred when we went from \$2,500 to \$5,000?

Real Savings: No.

We may have already accomplished this in previous legislation that is being narrowly interpreted by State agencies.

Follow-up: Leslie Winner is to review the legislation to see if it can apply to commodity purchases. If a legislative change is needed, we should move forward.

## Facilities Management Work Group

**Title: Eliminating DOI Review Requirements for Minor Renovations**

Description: Campuses would internally document and certify that construction below the informal contract limit meets code requirements.

Positives: Significant amounts of time are required by DOI. Time savings would be substantial.

Challenges:

Issues: DOI benefits from being freed to focus on high priority projects. This may not be perceived this way by DOI. If the informal contract limit goes to \$2,000,000, the Task Force recommends that the reviews also only be required only when a project exceeds \$2,000,000. Is this too much?

The committee recommends further study before determining whether or not to go forward.

Real Savings:

Requires legislation, implement this year. Real data required - work with legislative commission. NCCU's recent experiences at Eagle Landing will create challenges. We do not recommend staff reviewers.

Follow-up:

**Title: Benchmarking Facilities Management Costs.**

Description: Each institution would use APPA data as benchmark data and make appropriate changes in operations.

Positives: Good management practice

Challenges: System-wide compliance

Issues: This does not require legislation and is good practice.

Could a subset of the Bond Alliance oversee this on a system-wide basis, bringing data and training to the table?

Real Savings:

Follow-up: Immediately

**Title: External Barriers to Utility Cost Reductions**

Description: Appears to be a summary of earlier recommendations

**Title: Eliminate Barriers to Outsourcing**

Description: Appears to be consistent with earlier recommendations

## Human Resources

### **Title: Benefits: Non-Competitive Programs & Inefficient Administration**

Our Benefits are not competitive and most are not within our control. Seeking authority to administer personnel programs, including benefits projects, and by realigning resources dedicated to benefits, will position us to be more competitive.

Description:

Positives:

Challenges:

Issues:

The recommendations generally call for infusions of funds, not savings.

The chancellors have opted to seek funds for salary increases, not increases in benefits.

Independence from State Personnel was sought before, we may now be in a more optimal position. It is an important action and we should be prepared to handle it when it is taken. We will need additional resources.

Coordinating campus benefit committees to look for efficiencies seems like a very good idea and should include all campuses, not just smaller campuses.

Taking control of the dependent care accounts may provide us with some dollars.

Real Savings: No.

Follow-up: Determined after "Scope of Authority" recommendation is made.

### **Title: Untapped Opportunities to Centralize, Regionalize, and Collaborate on UNC HR Activities**

Description: Common efforts by multiple campuses can result in savings.

Positives: Great ideas are presented.

We have tried many of the ideas before and have not always been successful. The time may be here to implement some of these really good ideas successfully.

Challenges:

Issues: The ideas take an investment of time, which is scarce.

Small campuses may not be the only beneficiaries and they do have expertise to offer.

Real Savings: Not any time soon.

Follow-up: Determined after "Scope of Authority" recommendation is made.

## Human Resources

<b>Title:</b>	<b>Inefficient Structures &amp; Policies for Administering Campus HR Activities</b>
Description:	Over time, separate systems have developed for administering EPA Non-faculty and SPA employees. These have been combined successfully on some campuses.
Positives:	Combining the systems has resulted in less duplication of tasks with resultant efficiencies.
Challenges:	The Committee has no representatives from Academic Affairs
Issues:	Issues, such as to whom the HR person reports, don't seem to be consistent with the PACE initiative. This consolidation could be a best practice that could be presented to the chancellors for consideration, but should involve the academic affairs VC.
Real Savings:	Some on a campus by campus basis, not calculated.
Follow-up:	Determined after "Scope of Authority" recommendation is made.
<b>Title:</b>	<b>Scope of UNC Personnel Authority under N.C.G.S. Chapter 116</b>
Description:	The University would operate much more effectively if it was independent of the State Personnel System.
Positives:	Nimbleness, responsiveness, ability to react positively to changing needs Separating from OSP creates the need for a defined University personnel system, one with flexibility but not 16 different systems.
Challenges:	
Issues:	Many of the documented challenges are with the General Assembly, not with OSP. Requires a thoughtful transition plan. The last time we tried this we ran into problems when the N&O found out that some of our chancellors had done things that the newspaper considered inappropriate. Is our house in order? UNC Health Care has paved the way by operating effectively with their own personnel system and being responsive to nursing needs, etc. Must plan for a reaction from SEANC. PMIS causes double data entry? A new system does not resolve resource problems. Must plan for different skill sets at different institutions.
Real Savings:	Not soon.
Follow-up:	EB to proceed with discussions with Governor, State leaders, and make decisions.



## Information Technology

### **Title: Shared Professional Staff**

**Description:** It is proposed that the alliance expand its services to include support staff for remote hosting opportunities, for coordinating system-wide technical and functional training, for assisting campuses in preparation for IT audits and addressing compliance and security issues and for on-demand testing and development services.

**Positives:** The Alliance can be expanded and has recent experience with providing service in data base administration.

**Challenges:**

**Issues:** The proposal states that the funding for this should come from PACE reallocations or investments by campuses. Complexity of size, other system interfaces and integration requirements impact the feasibility of consolidation. Larger campuses may not be able to take advantage of shared services because of specialized requirements. Internal barriers (culture) and external barriers (licensing) are identified

**Real Savings:** Cost avoidance, investment required  
Immediately, campuses would need to invest funds collectively - reallocations of current funds. This is modeled after

**Follow-up:** the data base administrator support that is currently available.

### **Title: Banner Hosting**

**Description:** The 14 Banner campuses should consolidate their production hardware and software at no more than two redundant data centers so that systems administration, data back up and recovery functions could be delivered centrally and remotely from the campuses.

**Positives:** Four campuses are identified as early adopters.

**Challenges:** Size differences, integration requirements

**Issues:** This is a very good idea.  
Renegotiating license renewal, maintenance contracts.  
Could result in better quality and lower price

**Real Savings:** \$184k in real savings.  
Start with the four that are willing to participate now. NCSA would have to spend \$288K for full implementation of Banner starting in Year 1 and completing by Year 3 (needs an additional \$170K per year). Other three are FSU, ECSU, and UNCP.

**Follow-up:** Five-year savings are as follows:  
Year 1:(300K) Loss for purchase/lease of production equipment and additional software and support for NCSA  
Year 2:184k Assumes 4 early adopters  
Year 3:428K Assumes an additional 4 campuses  
Year 4:684K Assumes an additional 4 campuses  
Year 5:888K Assumes all 14 Banner campuses

## Information Technology

**Title: Centrally Provided Course Management System**

**Description:** Same concept as Banner Hosting, but using Blackboard  
Currently campuses have individual hardware and software. The centrally provided solution assumes a shared instance license and a hosted leased hardware arrangement.

**Positives:** Same as Banner Hosting

**Challenges:**

**Issues:**

**Real Savings:** \$200K per Year savings in software licensing and hardware costs, distributed by student headcount per campus. Blackboard licenses total \$500K. Assumes 20% reduction in licensing costs and a 20% reduction in hardware costs.

**Follow-up:**

Five-year savings are as follows:  
Year 1:  
Year 2: 100K  
Year 3: 200K  
Year 4: 200K  
Year 5: 200K

**Title: Disaster Recovery**

**Description:** Consolidate the disaster recovery requirements for the sixteen campuses, as much as practicable.

**Positives:** Essential business practice, provides support for campuses that have not arranged for appropriate back up

**Challenges:** Adds complexity to an already complex environment

**Issues:** Cost  
If we implement two Banner hosting sites, could those two sites be back-ups for each other.  
Cost avoidance. Up front investment of \$2m plus recurring costs of \$400k per year. Recurring \$ could come from

**Real Savings:** MCNC savings.

**Follow-up:** Immediately.

Year 1:  
Year 2:  
Year 3:  
Year 4:  
Year 5:

**Title: Implement a UNC-Wide eProcurement system**

**Description:** A centralized eProcurement system would allow the UNC system to operate more effectively.

**Positives:** Use the system to negotiate better contracts for all

**Challenges:** Politics.

**Issues:** UNC-CH spend figures not included because they have an eProcurement system in place

## Information Technology

Requires up front resources and identification of personnel to negotiate contracts, etc. Savings anticipated in the second year.

Real Savings:

Follow-up: Move on a formal evaluation of the best eProcurement system for the University.

Investment/Savings by Year:

Year 1: Loss of 5.5M

Year 2: 6.2M

Year 3: 7.1M

Year 4: 7.1M

Year 5: 7.6M

### **Title: Outsource Student e-mail**

Description: Having each campus independently host student email misses out on the advantages of economies of scale.

Positives: Seems like a really good idea.

Challenges: Multi-year email contracts currently exist.

Issues: How is the current email activity funded? Student fees?

Real Savings: \$300k by year 5

Follow-up: Further investigation needed but probably yes. (security and FERPA issues)

Investment/Savings by Year:

Year 1: 7K

Year 2: 200K

Year 3: 300K

Year 4: 300K

Year 5: 300K

### **Title: Cell Phone Allowance Plan**

Implement a mechanism that allows employees to utilize their personal phone by providing a tiered allowance structure to compensate employees for business use.

Description:

Positives: Makes sense.

Challenges:

Issues: Recognizes that the State policies don't apply in today's technology environment. Having different cell phone policies within a campus is highly inefficient.

Real Savings: \$309 - \$618k

Follow-up: ASAP

Investment/Savings by Year:

Year 1: 309K

Year 2: 463K

Year 3: 618K

Year 4: 618K

Year 5: 618K

## Information Technology

**Title: Communication Devices Consolidation**

Description: Adopt a strategy that provides a single University owned device and/or allows employees to utilize their personal communication device.

Positives: More convenient for employees

Challenges:

Issues: Can be done immediately  
Eliminating some desk phones.

Real Savings: Yes. Requires investment of voice mail or integrated messaging system, 1.6M one time for all campuses, resulting in a loss in year 1.

Follow-up: Immediately.  
Year 1: Loss of 880K  
Year 2: 720K  
Year 3: 720K  
Year 4: 720K  
Year 5: 720K

**Title: Centralize PC and Server Lifecycle Management**

Description: Eliminate departmental purchases of PCs and centralize by campus based on system-wide eprocurement contracts

Positives: Less variety to support, replace, etc.

Challenges: Personal Preferences

Issues: Campus centralization of PC and Server lifecycle management will enable system wide eProcurement for PCs and servers.

Academic departments, particularly when research grants are involved, may be impacted by lifecycle and purchasing decisions

Real Savings: \$1.6 million (savings apply to campus source of funds used for purchase; savings to be allocated by total campus headcount). May not be able to realize full savings in the initial year.

Follow-up: Immediately.  
Investment/Savings by Year:  
Year 1: 800K  
Year 2: 1.6M  
Year 3: 1.6M  
Year 4: 1.6M  
Year 5: 1.6M

## Information Technology

### **Title: Server Co-location and Consolidation**

**Description:** Most campuses have distributed server rooms or servers housed outside the central IT department

**Positives:** Centrally managed using professionals, appropriate backup, etc.

**Challenges:** Inventory needs to be determined.

**Issues:** Services really have to be improved for this to work.  
First year investment required, savings of \$450k per year after initial year. Savings allocated by total campus headcount.

**Real Savings:** headcount.

**Follow-up:** Immediately.  
Investment/Savings by Year:  
Year 1: Loss of 1.1M  
Year 2: 450K  
Year 3: 450K  
Year 4: 450K  
Year 5: 450K

### **Title: Open Source Applications - Course Management System (CMS) with onsite hosting**

**Description:** Replace purchased course management systems with open source course management systems

**Positives:** Reduced costs, reduced dependency on vendors,

**Challenges:** Impact of change, re-tooling

**Issues:** Will the product mature within the period that we are looking at?

**Real Savings:** Current Blackboard licenses cost \$500K. Licensing costs would be eliminated under open source.  
Savings are not immediate (2 years). Blackboard licenses expire in 2008. Open source CMS solutions are still maturing. Savings allocated by student headcount.

**Follow-up:** maturing. Savings allocated by student headcount.  
Investment/Savings by Year:  
Year 1:  
Year 2:  
Year 3: 500K  
Year 4: 500K  
Year 5: 500K

### **Title: Use Thin PC Clients Where Appropriate**

**Description:** Where appropriate, keep data centrally and access with lower cost, more secure "thin" PCs

**Positives:** cheaper, more secure

**Challenges:** Reliance on central servers, intra-campus network architectures

**Issues:**

**Real Savings:** \$142,000 in year 1 to \$3.21 million by year 5. No initial investment required if adopted as PCs/laptops reach end of their current lifecycle - thus the slower adoption rate as revised below. Savings allocated by student headcount initially. Staff headcount may come into the picture in later years.

## Information Technology

### Follow-up:

Investment/Savings by Year:

Year 1: 142K

Year 2: 284K

Year 3: 568K

Year 4: 2.22M

Year 5: 3.21m

### Title:

#### **Identity Management**

### Description:

Use a common id and password among all campus applications

### Positives:

improved security, reduced costs

### Challenges:

### Issues:

Real Savings: No savings, but a best practice. Investment of \$1,180,000 required, annual recurring cost of \$400k.

### Follow-up:

Investment/Savings by Year:

Year 1:

Year 2:

Year 3:

Year 4:

Year 5:

### Title:

#### **Standardize on System and Application Software and Reduce Redundant Applications**

### Description:

Because of the decentralized nature of higher education enterprises, multiple software applications are often employed. Institutions should choose and support a single application where appropriate and eliminate redundant applications.

### Positives:

Better quality, lower cost

### Challenges:

### Issues:

Should this be handled on a campus by campus basis or are there system-wide implications?

Real Savings: Cannot determine savings without additional data from campuses.

### Follow-up:

Best practice, further development required

## Information Technology

<b>Title:</b>	<b>Implement an information architecture to ensure a reliable, up-to-date, non redundant information repository of structured and unstructured data</b>
<b>Description:</b>	Institutions should manage diverse information assets so that information is available and accessible to the right audience at the right time.
<b>Positives:</b>	Campus-wide information strategies will drastically reduce costs associated with finding the right data and will improve the University's decision making capabilities.
<b>Challenges:</b>	
<b>Issues:</b>	
<b>Real Savings:</b>	Requires investment. Savings unknown without further study.
<b>Follow-up:</b>	Best practice, further development required
<b>Title:</b>	<b>Identify campus processes and optimize them</b>
<b>Description:</b>	IT should facilitate the analysis and mapping of campus processes, optimize them, and provide the support systems to ensure consistent execution of redesigned processes and reduce the reliance on paper.
<b>Positives:</b>	
<b>Challenges:</b>	
<b>Issues:</b>	
<b>Real Savings:</b>	Should improve productivity but cannot determine level of savings without additional campus data.
<b>Follow-up:</b>	
<b>Title:</b>	<b>Adaptation of ITIL</b>
<b>Description:</b>	Under the leadership of GA, identify vendor training and implementation assistance. Quantify metrics, etc.
<b>Positives:</b>	Intended to provide guidance across the breadth of IT infrastructure, development, and operations.
<b>Challenges:</b>	
<b>Issues:</b>	
<b>Real Savings:</b>	Requires further development
<b>Follow-up:</b>	Three to Five years

## Other Barriers

<b>Title:</b>	<b>Major financial structure changes that would be required by BEACON financial system implementation</b>
Description:	The State's conversion to BEACON is anticipated to have an impact on the University in that more accounts and time will be required to manage in the new environment thereby increasing inefficiency within the University. It is recommended that the State Controllers Office, OSBM and the University work together to ensure that this does not happen.
Positives:	
Challenges:	
Issues:	
Real Savings:	Cost avoidance
Follow-up:	A University group has been convened to address these issues.
<b>Title:</b>	<b>Management Flexibility Report</b>
Description:	Eliminate the reports required for management flexibility reporting - both the annual plan and the annual report.
Positives:	More time to devote to other activities
Challenges:	Remaining accountable
Issues:	Systems must be in place to provide information if requested by Fiscal Research or another State agency. Although the plan is required by the Board of Governors, I think the annual report is required by statute.
Real Savings:	Time to be directed to other activities.
Follow-up:	BOG/Legislative agenda
<b>Title:</b>	<b>Processes for disposition of surplus property</b>
Description:	Apply the purchasing benchmark to the sale of surplus property by a campus and give the campus autonomy to oversee this process. Allow campuses to keep the 5% that goes to the Surplus Property Office. Campuses are renting trailers and space to manage excess surplus property - this would no longer be required. Time
Positives:	frames for disposing of property could be shortened.
Challenges:	The Surplus Property Office relies on the 5%. We just negotiated a new arrangement with the Surplus Property Office and indicated that we were happy with the
Issues:	arrangement. This avoided the need for a statutory change.
Real Savings:	Yes, but calculated based on all campuses leasing warehouse space?
Follow-up:	Further examination is needed. May be an issue of sharing best practices among campuses.



## Other Barriers

### **Title: BD119 Report**

Description: Eliminate the BD119 report and allocate salary funds based upon salary information available on the BD701 and other sources.

Positives: Report is outdated and underused and eliminating it would free staff time for other purposes.

Challenges:

Issues: Salary information is available in the Personnel Data File.

Real Savings: \$200k to \$250k systemwide.

Follow-up: Stop.

### **Title: Efficient Purchasing - Proposal 1**

Description: Delegate unlimited purchasing authority to the Board of Governors  
Current lack of clarity between P&C and ITS would be resolved; universities are complex and P&C does not add value when required to oversee complex purchases, some of which are the results of specifications by consultants; limits on P-cards and small purchases could be raised to create efficiencies

Positives:

Challenges:

Issues: No data on number of transactions involved or current amounts of time that might be saved.

Real Savings: More efficiency in operations.

Follow-up: Collect additional data and better understand issues

### **Title: Efficient Purchasing - Proposal 2**

Description: Establish an e-procurement software solution for the universities.

Positives:

Challenges:

Issues: Also identified by IT Committee

Real Savings: For all purchasing recommendations, every 1% reduction in costs would result in an estimated \$8 million in savings.

Follow-up: Identify up front cost of implementation and recurring costs, compare to savings

## Other Barriers

### **Title: Efficient Purchasing - Proposal 3**

Description: Develop a university-system web site for sharing information, posting contracts, and disseminating other cost saving measures, for use by university purchasing agents and management.

Positives: Information sharing would be easier

Challenges: Continuous maintenance would be required

Issues:

Real Savings: For all purchasing recommendations, every 1% reduction in costs would result in an estimated \$8 million in savings.

Follow-up: To be determined by Purchasing Officers, Need to know investment that is required and move forward - to be hosted by a campus.

### **Title: Efficient Purchasing - Proposal 4**

Description: Obtain approval from the AG's office for university legal staff to exercise discretion in relinquishing sovereign immunity in very specific circumstances.

Positives: Would be able to accept the governing law of another state and accept indemnification/hold harmless language.

Challenges:

Issues: Reduces wasted time, saving taxpayers \$

Real Savings: For all purchasing recommendations, every 1% reduction in costs would result in an estimated \$8 million in savings.

Follow-up: The rule protects us and we should leave it in place.

### **Title: Compliance with G.S. 116-30.2 on appropriations to special responsibility constituent institutions and to the NCSSM**

Description: Appropriations to the University should be expedited by OSBM as lump sum appropriations, rather than budgeted at more detailed levels.

Positives: More flexibility for the universities, less time spent reviewing budgets by OSBM

Challenges:

Issues:

Real Savings: \$175,000 system-wide

## Other Barriers

Follow-up: Should not pursue lump sum appropriation but should obtain the ability to have all budget transfers be internal transfers and not require the approval of OSBM.

**Title: Implementation of Audit Sampling Using a Risk Return Concept**

Description: The University spends funds auditing a large percentage of expenditure and other transactions. The benefits of this may outweigh the costs.

Positives:

Challenges:

Issues:

Real Savings: At ECU, \$129,000 per year.

Follow-up: This is an operating principle and would not require either BOG approval or legislature to change. Could be tried at select institutions.

**Title: Home-Based Employees Report**

Description: OSBM must approve the assignment of home duty stations for employees and receives an annual report on home-based assignments.

Positives:

Challenges:

Issues: In a high tech world and under certain circumstances, home duty assignments should be encouraged not challenged.

Real Savings:

Follow-up: Required by General Assembly. We will ask to be exempt from requirement. Work with OSBM to see if this is a priority for them and we will support their efforts.

**Title: Vacancy Report**

Description: The University prepares a quarterly report on vacancies as required by the Fiscal Research Division. The report is not needed and should be eliminated.

Positives:

Challenges:

Issues:

Real Savings:

Follow-up: Fiscal Staff will continue to ask for this support. EB wants to see each time it is prepared.

## Other Barriers

### **Title: Personal Services Report**

Description: The General Statutes require a personal services report to be prepared annually by OSBM. The report takes a substantial amount of time to complete and does not appear to be beneficial.

Positives:

Challenges:

Issues: Established to monitor the hiring of state employees that have retired.

Real Savings:

Follow-up: Examine the data elements that could be eliminated so that the report can be 100% automated.

### **Title: Duplication of data entry into HUBSCO and CAPSTAT**

Description: Develop an electronic interface between CAPSTAT and HUBSCO to eliminate duplicate data entry.

Positives:

Challenges: Identifying the programming resources to accomplish the systems interface.

Issues:

Real Savings: Yes.

Follow-up: GA should do this.

### **Title: Institutional Trust Fund Report**

Description: OSBM requires an annual report on Institutional Trust Funds that appears to go unused. The report should be eliminated.

Positives: Data is available from other sources if Trust Fund data is needed.

Challenges:

Issues:

Real Savings: 40 hours per campus

Follow-up: Stop. Work with State Budget Office to resolve this.