



UW Telephone Service: Rate Recommendation

Overview

- UW Telecom Upgrade Project
- Purpose/Benefits of Project
- Rate Change Recommendation

UW Telecom Upgrade Project

- In 2010, UW was operating an aging telecomm infrastructure
 - 30,000 phone lines, 22,000 voicemail boxes
- Multi-year Project launched to upgrade/replace legacy system
 - Phase 1 (Stabilization): Stabilized critical customers; conducted pilot
 - Phase 2 (Deploy New Core): Installed new Telecomm core infrastructure
 - Phase 3 (Core System Migration): Retire legacy system; migrate users
- Governance
 - Approved by UW Service Investment Board
 - Coordinated with IT Service Management Board

= Complete

= In Progress

Purpose/Benefits of the Project

■ Purpose

- Reduce risk by retiring unsupportable legacy infrastructure
- Transition to state-of-the-art technology

■ Benefits

1. New system is vendor supportable
2. Uses UW's robust data network infrastructure
3. Reduces overall costs and technical administration
4. Improves service levels by improving survivability
5. Integrates delivery of voice, data, video for collaboration
6. Make calls using handset or software phone on a PC

New System Features

CUSTOMER DEVICES & SERVICES



UW Telephone Core Infrastructure



UW Data Center

Rate Change Recommendation

- Simplify rate structure to create new single rate
 - Combine multiple Telephone options
 - Provide a separate lower rate for the new Fax Service
- Results
 - Single rate would reduce overhead & include:
 - Basic phone service
 - Voicemail
 - Domestic Long Distance
 - Telephone Handset
 - Software Phone for PCs (Softphone)
 - 53 cent increase for handset users
 - Lower Fax Service to incentivize migration from fax machines

Telephone Rate Recommendation

Rate Description:

- Single phone service rate of \$8.70
- Includes basic phone service, handset, software phone, Voicemail, Domestic Long Distance
- Fax Service rate of \$4.90

Assumptions:

- UW Medicine is creating separate system
- Projected \$502K revenue loss
- 4000 Analog users migrate
 - 2000 move to new VoIP phone service
 - 2000 move to Fax Service
- 500 new Fax Service customers

	Current			8. No Med Single Rate + Fax Srvr Rate		
	Rate	Qty	Rev \$	Rate	Qty	Rev \$
Telecom Revenues						
Dialtone	4.05	18,647	906,244	8.70	20,647	2,155,547
Analog Dialtone	4.05	9,500	461,700	8.70	5,500	574,200
Handset Fee	4.12	19,606	969,321	-	18,606	-
Fax Machine Line	4.05		-			
Fax Service				4.90	2,500	147,000
Medicine Dialtone	10.84	3,863	502,499	10.84	-	-
Total Revenue			2,839,764			2,876,747
Expense Adjustments						
Medicine Expenses						(83,000)
Phoneset Expenses						-
Total Exp Adjustments			-			(83,000)
Expenses						
Long Distance			\$220,000			120,000
Total Expenses			\$220,000			120,000
Net Change in Revenue			-			(17)
<i>Dialtone + Handset Fee</i>	<i>8.17</i>			<i>8.70</i>		

Conclusion

- UW Telecom Upgrade project retires aging infrastructure
- Project benefits include vendor support & better survivability
- UW-IT recommends shifting to a single combined rate