

IT Service Management Board

Campus Software License Proposal

SMB Software Licensing Sub-Committee:

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Abstract:

The Service Management Board (SMB), as part of the IT Governance for the University of Washington, ensures alignment of UW-IT services with institutional IT strategy and priorities and optimizes the design, delivery, operation and sourcing of those services.

During AY13/14, the SMB chaired by Scott Barker appointed a sub-committee to consider improvements to the existing software licensing and procurement process to increase efficiencies for the University through elimination of redundant and uncoordinated staff efforts, reduce the University's risk of not meeting software license compliance rules, and providing a consistent and reliable process for selecting and distributing campus software.

Herein lies the report from the SMB sub-committee who recommends the University of Washington create a software licensing and distribution program to centrally fund selected software applications, negotiate with vendors for campus site licensed software and administer software licenses and terms on behalf of the institution, and distribution of campus licensed software.

A great example of an administrative challenge, burden, and impediment to research activity is software licensing and purchasing. UW Enterprise Risk Management (UW ERM), in concert with the President's Advisory Council on Enterprise Risk Management (PAC-ERM) has identified faculty retention and recruiting as a top risk every year since 2008. Included in this risk is the excessive administrative burden to research. The concerns on these issues have typically fallen in the highest risk categories to include, in at least one analysis, the potential for 'disastrous' impact on the University. Centralizing this function will provide cost efficiencies for the University, reduce institutional risk, provide better service, and facilitate collaboration between end-users.

Current situation:

The University does not have a centrally-managed strategy for campus-wide software investments and licensing. The current approach relies on voluntary collaborations among UW units to evaluate, negotiate, purchase, and administer software. Licenses are sometimes held at the campus level, unit level, or some combination thereof. Many software vendors are moving to annual subscription models that are more costly, more difficult to administer, and more likely to require ongoing institutional commitment. For example, Adobe has made multiple attempts to offer campus agreements, but have been unable to negotiate with a central entity. Red Hat (Linux server software) simply increased the price from \$25.00 to \$200,00 with no advance warning. As a result of this changing business model and UW's current fragmented approach, the institution is less able to make informed strategic decisions about software investments, does not leverage institutional purchasing power, and moves too slowly to provide students, faculty, and staff with the tools they need.

UW-IT focuses on large contracts (Microsoft, RedHat and virus scanning) deemed necessary for the campus community. However resources were not available to expand to cover additional campus licenses, there is no desire to impose a new tax to fund resources, and it is not clear this should be administered solely by UW-IT.

In recent years, attempts were made at establishing a central licensing group with members from various schools and colleges. However, the group was not successful in securing central funding to realize the efficiencies of this effort.

Goals:

By implementing a campus-wide strategic approach to software investment and management, we believe UW can reduce total institutional costs and streamline overall operations, reduce the administrative burden placed on researchers, facilitate collaboration, improve the instructional environment provided to students, while also reducing some elements of risk due to non-compliance and audits.

Specifically, we suggest the following goals for the program:

- Improve access to critical software tools for students, faculty and staff.
- Ensure the UW is getting the best possible value for software investments by working with vendors at the institutional level.
- Reduce risk by offering licenses that cover everyone at the university, or that better manage compliance, data security, and contract liabilities.
- Reduce costs across the institution by eliminating the need for redundant licensing, contracts, and administration done by departmental IT.
- Enable UW to more nimbly deploy software for research, instruction, and administrative operations by taking better advantage of favorable licensing terms and simplified distribution that can result through campus licensing.

This change in approach is more important than ever. Today many software vendors are consolidating and changing to institutional subscription models while UW's reliance on these digital resources continues to increase rapidly. The increasing expense and importance of this issue suggests the need for a coordinated institutional approach.

Why this is important:

Software and “apps” are core to the academic and research enterprise of the university. The substantial investments being made by the campus on hardware and networking infrastructure only have value when paired with software. Be it productivity tools such as Office or Google Docs;

teaching and learning tools such as Panopto or Canvas; discipline specific tools such as MatLab, LabView, AutoCad, PhotoShop, and Illustrator; or analytical/research tools such as Tableau, SPSS, SAS, Atlas.TI or NVivo; software enables us to do the work of the university. Our ability to procure these tools in a cost-efficient way and make them accessible to the largest number of faculty, staff, and students possible has a significant impact on our ability to deliver high-quality academic programs and to engage in high-quality research.

The best students, faculty, and staff need and want access to the best software tools available to help them learn, teach, or do their daily work. A university where these tools are “just there” at minimal cost or just part of the basic infrastructure of the university is very attractive. Many software tools are widely used by professionals in industry and a working knowledge is necessary for new graduates to secure a job. Some faculty work in disciplines where significant external funding opportunities are not available, yet they still need access to the latest software to effectively engage in teaching and conduct world-class research. A software licensing office would help the UW attract and retain the best faculty by reducing costs, facilitating access, and reducing barriers to collaboration.

This proposal suggests unifying fragmented departmental processes and creating a "whole U" software experience and investment. This benefits all faculty, staff, and students across all of UW by providing essential software licenses for all units.

Improve administrative efficiency

Offering central institutional software evaluation, contract negotiation, procurement, and delivery is an efficient model for the university. Currently, individual units bargain independently with many of the same large software vendors. These duplicate efforts are wasteful and burdensome on unit staff. The College of Engineering for example reports that they have to dedicate a half-time FTE as well as considerable time from their Fiscal Administrator and Director of IT to support their software licensing needs. By rolling these numerous individual negotiations and management effort up into one, we save time across the institution.

Non-centralized purchasing and licensing for broadly-used software tools exacts a toll across all University of Washington campus. While an exact amount of financial loss is difficult to quantify, the qualitative effects are clear. Managing software licensing on a case by case basis is highly disruptive and tedious to faculty as well as supporting staff and students. Regardless of support staff size or graduate student count, this activity also conveys a feeling of lack of support by central administration. This actual loss of time and research efficiency and accompanying feeling of lack of support for research and teaching contributes to a regularly recurring PAC-ERM risk of faculty recruiting and retention.

Reduce overall administrative costs

In addition to the administrative costs saved by eliminating redundant work across the institution, the central approach proposed will also leverage the ability of the institution to negotiate at scale. Managing compliance and product delivery centrally have similar benefits. In the event of an audit or related public records request, for example, staff burden would be reduced to a single point, rather than spread across the institution.

Sustain and Strengthen Core IT Operations

This proposal recommends an operational excellence approach of centralizing campus site-licensed software to reduce redundant operations occurring across the institution as well as stabilizing inconsistent practices for purchasing and distributing site-licensed software. The anticipated result is greater efficient use of staff time (cost savings) and easier access to software across the institution.

Mitigate Operational Risk

Software vendors who previously offered institutions the option of purchasing small amounts of product are now requiring campus site-licenses regardless of the institution's usage. Because there is no central funding source for site-licenses, departments are unable to acquire the software needed for student learning and staff/faculty work. In some cases, the software vendor has threatened a software audit if a site-license isn't purchased. Other institutions have experienced audits costing over \$500K. This proposal suggests a central approach could increase department access to necessary software, reduce cost of purchase, and eliminate risk of an audit.

Ensure resilient key service

For many schools/colleges as well as departments, current software is critical to their success. Central administration of software site-licenses ensures licenses are renewed on schedule and easily available as needed.

Compliance

The institution is ultimately accountable for software license compliance, regardless of whether it is purchased centrally or at the department level. However, the institution does not govern or monitor appropriate use. While the threat of an audit (and therefore risk of non-compliance) seems low at this time, we anticipate the threat and cost of non-compliance to increase as more software vendors move to this model.

Partnership

A coherent central approach could help UW become a partner of choice for vendors, government, non-profits, and other institutions. A central campus entity provides a point of contact for negotiation, collaboration, strategic alignment, and investment at scale. These sorts of partnerships may, for example, help UW better leverage opportunities to work with software resellers to manage multiple license agreements efficiently for all of UW.

Peer efforts:

This proposal is based on successful efforts underway at other institutions. From UC Berkeley's Operational Excellence program to the University of Utah's Software Licensing and Strategic Vendor Partnerships, our peers are reducing costs while securing better software license deals by consolidating campus efforts. Their centralized efforts ensure their institutions gets the most possible for their spend. Their programs have successfully created vendor relationships, negotiated contracts and saved their institutions significant dollars. Consortium agreements at the state level have enabled them to leverage scale to obtain larger discounts on software contracts. Consolidated purchasing and renegotiation of contracts has resulted in large scale savings from companies such Adobe, Microsoft, and other major software companies.

Recommendation:

Following the success of our peer institutions, the SMB sub-committee recommends the University of Washington form a Software License committee to:

- Establish a sustainable licensing decision criteria for selection of software administered through this committee
- Develop a funding model to rapidly respond to new software license requests
- Directly negotiate and purchase campus-wide licenses for key software products and services used across the institution
- Work to reduce institutional risk around software license management
- Facilitate software distribution and deployment
- Provide support for non-campus-wide licensing efforts, for example: negotiating discounts and procurement of software that is important to individual units
- Report to and seek guidance from the Service Management Board to insure broad campus input on institutional software investment priorities.

Committee Structure

We suggest a lean committee of 5-7 members. They should be representative of the campus (academics, administration, etc.) and members should rotate out every 1-2 years. Additionally, the committee should include standing representation from UW Procurement Services and UW-IT since those departments will hold responsibility for contract negotiations and software distribution, respectively. We anticipate this administration and management to require 1 FTE minimum.

Committee Oversight

The Software License committee will need departmental alignment for management and budgetary purposes. The SMB sub-committee recommends the Software License committee administration and management be provided by UW Procurement Services, with UW-IT offering software distribution through UWare.

Funding

Since funding for such an effort is not currently available, we suggest an initial funding "kick-start" be provided. The committee should then work towards establishing an ongoing funding strategy to support annual investment in institutional software licensing procurement and management.

Approach

While this SMB sub-committee has conducted a strategic analysis regarding efficiency and risk, we have not done an end-to-end analysis of the business process. We recommend the committee's first task is to work with a Business Analyst for this discovery.

Appendix A - Campus Site licensed software

This list is an example of some of the software currently site licensed at the UW. This is a partial list intended to demonstrate the scope and scale of the University's software investment and the need to take a strategic approach in managing our software spend.

UW Software Licenses					
Product Name	Purpose	Eligibility	FY 15 Cost	Est. FY 16 Cost	Administration
Red Hat	Linux Server Licenses	UW Faculty, Students and Staff colleges and departments	\$204,000	\$225,465	UW-IT
Microsoft Software Suite	Includes Office, Project Visio and a Host of Cloud based and Server products	UW-Faculty, Students and Staff	\$3,400,000	in negotiation	UW-IT
Sophos	Antivirus software	UW-Faculty, Students and Staff	\$ -	\$350,000	UW-IT
SPSS	Statistical analysis	UW Graduate Students, Faculty and Staff	\$79,269	\$87,196	UW-IT
SAS	Statistical analysis	UW Faculty, Students and Staff	\$12,756	\$14,031	UW-IT
Microsoft Collaborative Applications Suite (MSCA)	Microsoft Cloud based software includes; OneDrive, Exchange Online, Office 365 Pro Plus	UW Faculty, Students and Staff			UW-IT
Google Cloud Applications	Google Cloud based applications includes; Google Drive, Gmail, Web Store	UW Faculty, Students and Staff			UW-IT
Mathmatica	Math	UW Faculty,	\$33,000	\$33,000	College of

	Technical Computing	Students and Staff	Note: Student Tech Fee funds \$10K for student option		Engineering * plus A&S
Matlab	Modeling Visualization	UW Faculty, Students and Staff	\$100,000 Note: COE does cost recovery on this product	\$100,000	College Engineering plus A&S
LabView	Engineering	UW Faculty, Students and Staff	\$10,000	\$10,000	College of Engineering plus A&S
Ansys	Simulation	UW Faculty, Students, and Staff	\$50,000 COE cost recovery	\$50,000	College of Engineering
Abaqus	Hyak	UW Faculty, Students, and Staff	\$13,000 COE cost recovery	\$13,000	College of Engineering
ESRI ArcGIS	Mapping/Data	UW Faculty, Students and Staff	\$25,000	\$25,000	Arts and Science with Western Washington
Adobe**	Graphics Design Document Mgt			\$600,000	None

*The College of Engineering administers a large number of software licenses for both their use as well as for use by other departments on campus. Those listed in the table are examples - the full list is available at: <http://www.engr.washington.edu/mycoe/computing/software/index.html>

**We do not currently have a campus license for Adobe. They are proposing a campus license for approximately \$600,000. to cover Creative Cloud Enterprise and Adobe Acrobat Professional for all University owned devices, including student computer labs.

Appendix B
Peer Institutions with central software management programs

Harvard University

<http://huit.harvard.edu/services/campus-licensed-software>

UC Berkeley

<https://software.berkeley.edu/>

University of Utah

<http://it.utah.edu/departments/finance/vendors.php>

University of Nebraska – Lincoln

<http://procurement.unl.edu/software-purchasing-at-unl>

Indiana University

<https://iuware.iu.edu/>