

May 29, 2020

RE: Comprehensive Contracting for Services for Banner Cloud Hosting

This report is provided in compliance with RCW 41.06.142.

Eastern Washington University (EWU) is considering purchasing services to host our Banner enterprise resource planning system with a cloud-based application hosting provider. EWU anticipates contracting for the following work at the university:

- Migration services for Banner from on-premises to cloud-based infrastructure as a service*
- Disaster recovery/business continuity services for Banner*
- Database and system administration related to Banner

WHAT WE'RE TRYING TO ACCOMPLISH WITH THIS CONTRACT.

By moving Banner to the cloud, we intend to provide the campus with improved reliability, less intended and unintended system downtime, lower operational and capital spending costs, and a robust and reliable disaster recovery and business continuity solution.

In the past, bargaining unit members have performed similar work on some tasks listed above. The decision to contract for this project is based on the following considerations:

- Additional software features and modules will be included with the cloud-based system that are not currently and will not be available on-premises
- Some of the work listed above (designated with an asterisk above) has not been typically and historically performed by bargaining unit members
- Current staff do not have any experience building or maintaining a disaster recovery/business continuity site or services
- Few vendors continue to provide on-premises software options and all new Banner modules and features are expected to be only provided as cloud-based options

At present, our disaster recovery/business continuity recovery options are extremely limited. We periodically backup our Banner system and database to a "cold site" at our Spokane campus, but those backups are designed only to restore to our existing systems hosted in Cheney. In the event that our Cheney data center or Banner server environment is impacted by a natural or man-made hazard, such as indefinite loss of connectivity, fire, flooding, or cyber attack, our ability to restore those systems is very limited and it is expected to take several weeks to rebuild them at our cold site. Through this proposal, we are expecting an always-on redundant environment that is geographically diverse, allowing us continuity of operations even in the case of a regional event that impacts both Cheney and Spokane. Specifically, we expect an environment that has a recovery point objective (RPO) of no more than 4 hours, meaning no

more than 4 hours of potential data loss, and a recovery time objective (RTO) of 48 hours, meaning no more than 48 hours of downtime. Without our Banner system, the operations of the university would be severely compromised, including our ability to pay employees, register students, release financial aid, and provide other essential services.

COST ESTIMATES

| 5 Year Total | On-Premises | Hosting Op 1 | Hosting Op 2 | Hosting Op 3 |
|-------------------------------|--------------------|---------------------|---------------------|---------------------|
| Oracle Maintenance | 1,104,929.00 | 102,000.00 | 1,104,929.00 | 1,104,929.00 |
| Cloud Hosting Subscription | - | 1,060,165.00 | - | 5,384,382.00 |
| Ellucian Subscription | 609,775.00 | 609,775.00 | 609,775.00 | 278,627.00 |
| Banner Maintenance | 2,476,295.00 | 2,476,295.00 | 2,476,295.00 | 247,658.00 |
| Servers | 55,596.96 | - | 377,940.00 | - |
| Server Maintenance | 12,225.00 | - | - | - |
| Storage | 417,800.00 | - | 27,420.00 | - |
| Virtualization Maintenance | 19,720.00 | - | - | - |
| Virtualization License | 17,336.00 | - | - | - |
| Networking | 19,296.00 | - | 13,440.00 | - |
| Networking Maintenance | 374.40 | - | - | - |
| Staffing | 2,564,981.55 | 2,564,981.55 | 2,564,981.55 | - |
| Facilities Costs for Staffing | 144,000.00 | 144,000.00 | 144,000.00 | - |
| Disaster Recovery | 612,692.96 | 530,082.50 | 460,680.00 | - |
| Migration Cost | - | 300,000.00 | 200,000.00 | 150,000.00 |
| | 8,055,021.87 | 7,787,299.05 | 7,979,460.55 | 7,165,596.00 |

Using actual and estimated data, including vendor proposals, the table above provides a comparison between the estimated cost of performance by employees and an estimate of the cost of performance of the services if contracted out over a five year period. Administration of the program to monitor a contract and ensure its proper performance is expected to be similar to current administrative and supervisory responsibilities. For example, there are existing contracts to monitor with Oracle and Ellucian. That will not change if other services are contracted out.

DETERMINATION



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Based on the analysis and comparison above, the university has determined that contracting out this service would result in cost savings under any scenario. Under the university's preferred

option, it would result in significant savings. In addition, contracting out would resolve university concerns regarding disaster recovery and business. Under current circumstances, a disaster or event that impacts this system would have a significant and negative impact on the operations of the university, including basic services like payroll, registration, and financial aid delivery. By contracting out this service, this vulnerability will be eliminated.

POTENTIAL ADVERSE IMPACTS

Contracting out for this service could result in the elimination of two additional positions. Two additional positions have already been eliminated; the employees formerly in those positions have already elected to take other opportunities (one internally). Significant community impact is not expected by contracting for this service.

This report completed by:

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cc: