



# **ASSESSING the TOTAL COST of INFORMATION TECHNOLOGY at UBC**

**Phase 1**

**IT Steering Committee**

**June 16, 2009**

**DRAFT FOR DISCUSSION**

# Project Purpose and Objectives

- Prepare a reasonable estimate of total IT spending at UBC, grouped into four categories:
  - Organizational unit
  - IT cost category
  - Purpose
  - Funding source
- Recommend a consistent methodology for isolating and characterizing IT costs throughout the university

## Project Benefits

- Create institution-level **baseline data**
    - to help assess IT outcomes relative to cost
    - to improve understanding of IT **cost drivers**
    - for **benchmarking** with other institutions
  - Increased **transparency** and ability to manage overall IT spend on campus
  - Help **inform decisions** around IT's new funding and cost model
  - Provide data for **possible cost savings**
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# COST DEFINITIONS

Cost Categories	Definitions
Salary & Benefits	<ul style="list-style-type: none"> <li>• All <i>Information Technology</i> and IT shops staff</li> <li>• All staff under the M&amp;P IS&amp;T job family</li> <li>• All CUPE staff with IT job codes</li> <li>• Staff who has IT responsibility in their job titles and works at least 50% time on IT related function</li> <li>• Benefits at 19% of salary</li> </ul>
Software and Supplies	<ul style="list-style-type: none"> <li>• All Computer software licenses</li> <li>• All computer software maintenance</li> <li>• All computer supplies</li> </ul>
Professional fees	<ul style="list-style-type: none"> <li>• Contractors or outside professional services performing IT functions (i.e network cable installation, desktop computer support, database administration, software development, web design, et.)</li> <li>• Project Managers and Business analyst for an IT project or initiative</li> </ul>
Maintenance & Rentals	<ul style="list-style-type: none"> <li>• All IT equipment maintenance and rentals (mainframe, desktop, network, hardware, general equipment)</li> <li>• Includes copiers and AVs</li> </ul>
Cost Categories	Definitions
Capital	<ul style="list-style-type: none"> <li>• All Computer equipment</li> <li>• All Major software purchases</li> </ul>
Cost of Sales	<ul style="list-style-type: none"> <li>• Of the IT department- net of Internal UBC sales of the IT dept to avoid overlap</li> </ul>
Other charges	<ul style="list-style-type: none"> <li>• All other IT department support expenses, support expenses for other IT shops</li> </ul>

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# PURPOSE ALLOCATION TABLE

SAMPLE ONLY	RESEARCH	TEACHING & LEARNING	ACADEMIC	ADMINISTRATIVE
Units of President's Office				100%
Housing, Conf & Child Care				100%
Enrolment Services				100%
ITServices		100%		
Library Services		100%		
LAND_FOOD_SYSTEMS	15%		60%	25%
Faculty of Education	5%		60%	35%
Faculty of Forestry	10%		65%	25%
Faculty of Science	20%		55%	25%
AVP Business Operations				100%
AVP Finance				100%
AVP Treasury				100%

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# High Level Preliminary Results

(IN '000s)	VP											
Data	General Revenues & Expenses	President's Office	UBC Okanagan Deputy Vice Chan	VP Academic & Provost	VP Administration & Finance	VP Development & Alumni Engage	VP Development & Alumni Units	VP Legal & External Affairs	VP Research	VP Students	Grand Total	% SHARE
SALARIES AND BENEFITS	-	277	1,790	28,705	2,937	-	748	65	519	5,176	40,217	22%
SOFTWARE AND SUPPLIES	- 32	108	757	14,976	1,043	248	76	292	269	1,227	18,965	11%
PROFESSIONAL FEES	70	-	-	4,008	1,730	-	-	58	1,018	21	6,906	4%
MAINTENANCE AND RENTALS	240	53	1,645	15,499	2,652	184	39	370	367	3,469	24,520	14%
DEPRECIATION	89,451	-	-	-	-	-	-	-	-	-	89,451	50%
COST OF SALES				- 6,761	- 91				73		- 6,779	-4%
OTHER CHARGES (IT SHOPS)			68	6,514	198		24				6,805	4%
<b>GRAND TOTAL</b>	<b>89,730</b>	<b>438</b>	<b>4,261</b>	<b>62,941</b>	<b>8,470</b>	<b>432</b>	<b>888</b>	<b>785</b>	<b>2,248</b>	<b>9,893</b>	<b>180,086</b>	
<b>% SHARE</b>	<b>49.83%</b>	<b>0.24%</b>	<b>2.37%</b>	<b>34.95%</b>	<b>4.70%</b>	<b>0.24%</b>	<b>0.49%</b>	<b>0.44%</b>	<b>1.25%</b>	<b>5.49%</b>		

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# High Level Preliminary Results

(IN '000s)	FUND										
Data	Agency	ANC	AWD	CAP	CS	END	FFS	GPO	RES	SPP	Grand Total
SALARIES AND BENEFITS	-	-	-	-	44	-	1,236	37,583	1,354	-	40,217
SOFTWARE AND SUPPLIES	445	1,470	-	148	1,065	221	3,315	7,800	3,401	1,100	18,965
PROFESSIONAL FEES	-	649	-	219	-	617	467	2,836	1,272	847	6,906
MAINTENANCE AND RENTALS	297	6,934	-	41	1,007	149	3,039	10,380	1,893	781	24,520
DEPRECIATION	-	5,650	1	5,025	411	482	3,741	9,509	60,531	4,102	89,451
COST OF SALES	-	6,860			10		75	2	7	1	6,779
OTHER CHARGES (IT SHOPS)					918		114	5,756		16	6,805
<b>GRAND TOTAL</b>	<b>741</b>	<b>7,843</b>	<b>1</b>	<b>5,432</b>	<b>3,456</b>	<b>1,469</b>	<b>11,987</b>	<b>73,866</b>	<b>68,444</b>	<b>6,846</b>	<b>180,086</b>
<b>% SHARE</b>	<b>0.41%</b>	<b>4.36%</b>	<b>0.00%</b>	<b>3.02%</b>	<b>1.92%</b>	<b>0.82%</b>	<b>6.66%</b>	<b>41.02%</b>	<b>38.01%</b>	<b>3.80%</b>	

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## REMAINING TASKS

- Purpose allocation table
- Further analysis on Depreciation-Other equipment account
- Other IT shop expenses
- Observations and recommendations for a consistent methodology for tracking IT expenses
- Final report



***Thanks for listening!***

**Any questions?**