

Shared Services

Background briefing for
NACUA Discussion Group

What is being pursued?

- A collection of universities is exploring the feasibility of an “effort” that provides basic coordination and facilitation to aggregate demand and broker services
- Described as an “effort” because in early stages of discussion, the focus is on what needs to be done and how, not necessarily in what form (501c3, etc) or under whose control (as subsidiary of existing vs. new organization)

Who is involved in this “effort”?

- May 2009 Common Solutions Group workshop
 - ~25 research universities; significant interest expressed
- Very early stages of discussion; several workgroups established
- Depending on perceived viability, could expand to Research University Computing Consortium
 - ~50 research universities

What would the “effort” do?

Draft Charter: Provide a shared, binding framework to Higher Ed institutions seeking to aggregate demand for or provide shared IT services across multiple institutions, in order to achieve economies and efficiencies beyond those available to a single institution.

These mechanisms may take a variety of forms, and we are not initially presuming any one particular legal or governance model.

What are the challenges and approaches?

1. We work in a vendor environment that has a strong preference for Non Disclosure Agreements. We need mechanisms for sharing information among institutions in order to improve our effectiveness in dealing with third parties.
2. We need organizational tools (e.g., organizational shells, contract templates, registry services, workflows and knowledge bases) that allow us to recognize and act on shared demand.
3. The way we act needs to take at least two forms:
 - Provisioning amongst ourselves. (Examples on slide 6).
 - Provisioning from a vendor. (Examples on slide 7).

Provisioned amongst ourselves

Examples

- Bilateral agreements to share data center space for disaster recovery.
- Ten universities form a consortium to jointly build and run a large data center.
- One university takes the lead in creating the infrastructure to support mobile applications and as others develop apps, they are contributed to a common “store” made accessible to all others.
- One university agrees to provide email service for other universities on a cost recovery basis.

Sourcing from a commercial provider

Examples

- An organized group (perhaps a formal consortium) of universities is interested in buying a petabyte of storage from a commercial provider as a consortium
- A group of universities, not organized, wish to buy hosted exchange service from Microsoft, leveraging their collective buying power
- Several universities wish to use “the cloud” to deliver Virtual Machines, and collaborate to identify common Operating Systems, CPU, storage & network requirements which are used to issue RFP for vendor bids

What might be the guiding principles?

- Lightweight: minimal personnel (1+FTE)
- True brokering function: aggregates demand and facilitates connection with sourcing options (universities, consortia, corporate); not envisioned as a staff-heavy organization that builds systems or delivers services itself
- Member controlled and member driven: agenda is driven by common, expressed demand of members

What might be the guiding principles?

- Protecting Higher Education interests:
 - When a Higher Education institution provides the service: Establish environment of accountability for negligence, free of strict liability, and based on the intrinsic trust between these institutions.
 - When a corporate entity provides the service: Establish an environment where strict liability applies, with the consortium aggregating risk for its members while protecting the assets of the individual members.

How can NACUA help?

- Identify potential roadblocks and suggest ideas for navigating past them
 - Antitrust
 - Data protection and assurance concerns
 - Software code escrow
 - Liability/indemnity; piercing the veil of membership-based nonprofit
 - State law issues
 - Dispute resolution mechanisms, forums, governing law
 - Liability caps/prohibition on indemnity
 - Open records issues (exposure of private institutional records to open records requests; limits on ability to enter into NDAs)
 - Laws or policies limiting state institutional competition with private sector
 - Tax issues (jurisdiction, UBIT)
 - Personnel Rules that Discourage or Restrict Outsourcing
 - Intellectual Property rights distribution
 - Establishing enforceable service-level agreements (e.g., how to enforce penalties for data lost from cloud storage?)
 - Avoiding conflicts with existing agreements

Next Steps

A subset of us, yet to be identified, will work with a subset of the Nacua folks and our own General Counsels and procurement officers, to work through two scenarios: 1) faculty/staff email; and 2) shared data center space.

Our intuition is that if we could resolve the issues in these two areas, we would go a long way toward resolving sourcing questions generally.