Banner Bidding

OBJECTIVE
Banner is a software product that is owned by SunGard and is used to handle multiple administrative functions at six of Mississippi’s eight public universities. UM and USM currently use other software. The objective of this strategy is to investigate potential cost savings from consolidation of university SunGard/Banner contracts.

*NOTE: A study was completed several years ago to investigate the feasibility of using Banner for all institutions. The study concluded that a significant amount of money had been spent to put the alternate software in place at UM and USM and shifting to Banner would be very costly.

ACTIVITIES TO DATE
- The task force had a conference call with SunGard representatives to discuss potential cost savings.
- Individual members met with and had phone conversations with various SunGard representatives.
- SunGard began working with its corporate office to determine: 1) if software module prices could be reduced; 2) if prices for similar software modules could be standardized across universities; 3) if consolidation of contracts would reduce costs; 4) if the length of the licensing period required to get the lowest annual escalation rate could be reduced, and 5) if the escalation rate could be reduced.

OUTCOME
- Software prices could not be reduced.
- Software price could not be standardized across universities.
- Consolidation of contracts could not reduce costs even if one university carried out functions for another university.
- The length of the licensing period could not be reduced to less than 7 years in order to get the minimum cost escalation rate of 4%.
- The cost escalation rate could be reduced to 1% for the first two years of a 7 year contract if the cost escalation rate the last 5 years was high enough to generate the same funds in 7 years as would have been generated with a 4% escalation rate per year.

It was decided that since no cost savings would result from consolidation of effort, each university would individually contract with SunGard.

COMPLETION DATE:
This completes the work of this task force.