

From: French, Barbara [bfrench@ucsf.edu]  
Sent: Friday, January 27, 2017 7:06 PM  
To: Paul Almeida; mwasser@dpeaficio.org  
Subject: UCSF IT Outsourcing

Dear Mr. Almeida and Mr. Wasser:

Thank you for writing to express your concerns. I am responding on behalf of President Napolitano. In response to your email, following is background and context to UCSF's IT outsourcing decision.

### **Background and Context**

UC San Francisco (UCSF), a graduate-only, health sciences campus and a member of the University of California system, has engaged an outside vendor, HCL America, to provide specific IT operations and systems maintenance services. The decision to engage with HCL America resulted from a two-year review of UCSF's IT services.

The decision to engage in a contract for services will save UCSF more than \$30 million over the next five years, allowing the university to invest and grow its IT resources to serve its core mission of discovery, teaching and patient care.

UCSF will continue to grow its IT capabilities and staffing, especially in the specialized areas of data warehousing, analytics, electronic health records, and population health technologies, as well as in the fields of high-performance computing, storage and the network systems needed to meet the demand of our faculty, staff and students and to advance the University's core mission. In fact, UCSF increased its in-house IT professional staff by 197 positions between 2011 and 2016—an increase of more than 50%—to meet the growing needs in these specialized and increasingly critical IT service areas.

UCSF embarked on a comprehensive review of its IT services beginning in 2014 because the growth rate of IT expenses substantially increased and was not financially sustainable. Between 2011 and 2016, the cost of IT for the campus' clinical enterprise alone rose \$44 million to \$127 million.

UCSF's decision to change its model for delivering a specific scope of IT services is in line with the practice of other healthcare systems, including those with whom we compete in our San Francisco Bay Area market, and several universities.

UCSF regrets that its decision to contract out its IT operations and systems maintenance services will result in the loss of approximately 49 UCSF IT career positions, or about 8 percent of the centralized IT workforce of 565 employees. Please know that all impacted UCSF career employees received six-months' advance notice of UCSF's intention to reorganize its services. Additionally, these employees are eligible for job placement assistance and if they do not find alternative employment by February 28, 2017 (the termination date), they are eligible for severance and additional outplacement services to assist in their transition. Meanwhile, UCSF is working across the UC system to identify open IT positions.

Currently, UCSF and HCL America are in a transition process, which is scheduled to end in February. As part of this process, HCL America located a transition team at UCSF. Early on in the transition, a number of UCSF IT employees, including those impacted by the intended reorganization, oriented HCL America workers in UCSF policies and procedures. The vendor's employees are skilled in their areas of IT expertise.

Over the course of the five-year contract, HCL America will have about 20 employees on site at UCSF. UCSF has committed that it will not replace UCSF employees or contract workers with foreign born H1-B or L-1 visa holders, nor will HCL America in its work for UCSF.

I trust this addresses your concerns. As a public university focused on the health sciences, UCSF is committed to excellence in advancing biomedical research, training the next generation of healthcare workers, scientists and academicians and in providing quality patient care.

Again, I thank you for reaching out.

Sincerely,

Barbara J. French

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Barbara J. French, Vice Chancellor  
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