

## Appendix A – Cost Savings and Cost Avoidance

### Total Cost Savings Achieved to Date (millions)

- Hosting, Not Responsive achievements were completed in 12/13  
 - All figures have been rounded to 2 decimal places

	12/ 13	13/ 14	14/ 15	15/ 16	16/ 17	17/ 18	18/ 19	19/ 20	20/ 21	21/ 22	22/ 23	23/ 24	TOTAL
Hosting *	\$0.87	\$2.17	\$2.41	\$1.80	\$1.83	\$1.86	\$1.85	\$1.85	\$1.85	\$1.36	\$1.36	\$1.36	\$20.50

Not Responsive

### Total Cost Avoidance Achieved to Date (millions)

- Hosting, Not Responsive achievements were completed in 12/13  
 - All figures have been rounded to 2 decimal places

	12/ 13	13/ 14	14/ 15	15/ 16	16/ 17	17/ 18	18/ 19	19/ 20	20/ 21	21/ 22	22/ 23	23/ 24	TOTAL
Hosting	\$1.72	\$2.59	\$6.68	\$9.62	\$12.30	\$15.70	\$18.70	\$24.80	\$30.10	\$4.51	\$4.51	\$4.51	\$135.70

Not Responsive

\* Hosting figures are based on cost savings and avoidance projections from April 2013 and may change over time as the deal evolves.

Not Responsive



# HP Advanced Solutions Hosting Deal Overview



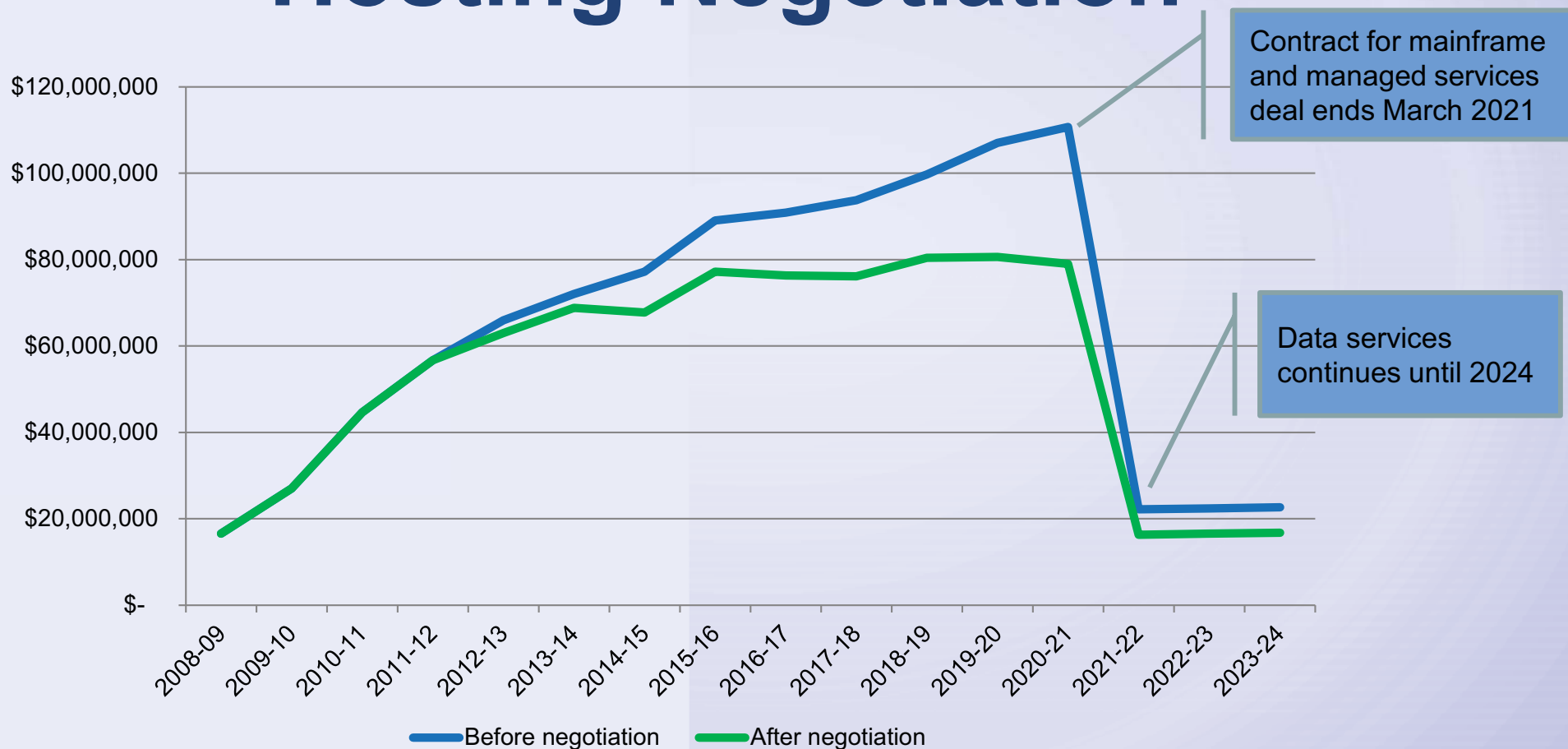
## Negotiated outcome (Phase 1 & 2)

- Storage costs for shared file capped, \$92M benefit
- Shared file and print transformation penalty included
- Vendor assumed some data centre costs and reduced KVA costs by 5%, \$25M benefit
- Mainframe software issue resolved, \$24M cost
- Managed print service introduced, \$24M benefit
- Discounts for HP hardware (46-70% off)

Not Responsive



# Hosting Negotiation





# Negotiation Benefits Achieved

- **Achieved \$22M-\$23M in savings and \$131-\$133M in cost avoidance over the life of the contract**
- **Projected benefits from print volume reduction and lower print costs includes \$1M-\$2M in savings and \$6M-\$8M in cost avoidance over the life of the contract as part of the new Managed Print service**