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[redacted] HEALTH LOGISTICS, INC.

CLOUD FINANCIAL OPERATIONS · OFFICE OF THE CTO

INTERNAL MEMORANDUM

~~Cloud Cost Status, FY26 Month One~~

FY26 Health Logistics Cloud Cost Review — Optimization Opportunities by Org

[Document retitled by Office of the CTO prior to distribution. Original filename retained in revision history.]

FROM	R. Coleman, Director, Cloud FinOps
TO	CTO Staff (distribution: 11 VPs, Chief Counsel)
DATE	FY26 · Month One *[precise date redacted]*
RE	Consolidated cloud run rate; low-utility findings by org

1. SUMMARY

Consolidated cloud spend is running at **$480M annualized**, up **30% year over year** against business growth of 9%. Absent intervention, current commitments project a further **55% increase** next fiscal year. This trajectory has been reviewed with Finance and is not considered survivable under the current plan.

2. METHODOLOGY — THE “LOW-UTILITY” FLAG

Spend is flagged **low-utility** where the underlying system shows *no measurable request-path activity* — internal or external — over the trailing 90 days, as measured by the owning team’s own observability stack, at thresholds set by the owning team’s senior staff.

> Language note (approved by Finance, Nov.; revised Jan. following developer-environment feedback): *low-utility* does not mean waste, dead, or useless. It means: by every technical signal we can measure, this system is not doing meaningful work. It does not mean we know what it is for. It does not mean cut it.

3. FINDINGS BY ORG (EXTRACT)

ORG / PLATFORM	MONTHLY RUN RATE	FLAGGED LOW-UTILITY
Helios (platform refresh)	$4.1M	**$2.0M / mo — development environments, no promotion to production in 6 mo.**
Mercato ("The Future of Always-On Sales")	$1.4M	**≈ $1.0M / yr — priority-service instance classes with no live allocation window in trailing 90 days**
Atlas (trace & custody)	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]

[Duplicate-platform analysis — Mercato/Atlas overlap, modeled over six months — moved to Appendix B. Appendix B not present in recovered copy.]

4. ITEMS REQUIRING CAUTION

Several flagged categories are **low-utility by signal but load-bearing by function**: exception review queues, cold-chain monitors, chain-of-custody approval desks. These systems register near-zero activity precisely because they exist for the exception, not the routine. FinOps recommends operational review before any action is taken on these line items. The true waste and the safety work currently share a spreadsheet; the flag cannot tell them apart. People can.

ATTACHMENT — COMMUNICATIONS GUIDANCE (OFFICE OF CHIEF COUNSEL)

All discussions related to cloud spend are highly sensitive at this time. Highly sensitive. Do not forward, excerpt, or summarize the contents of this review — including via automated summary tools — before reading counsel's guidance in full.

[redacted] the buyer's first priority is going to be cloud efficiency [redacted] what gets put on a board slide between now and the vote.

Handling: do not place on board materials pending [redacted]