



Monterey County

Board of Supervisors
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

Legistar File Number: A 19-308

August 27, 2019

Introduced: 7/29/2019

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Agreement

- a. Approve and authorize the Director of Information Technology or his designee to sign a non standard Master Agreement with AT&T, enabling the County to procure AT&T telecommunication services at discounted rates through authorized AT&T Solution Providers; and
- b. Authorize the Director of the Information Technology Department to execute pricing schedules, order forms and similar documents, as necessary, to utilize the AT&T Master Agreement to purchase AT&T Services through authorized AT&T Solution Providers, subject to prior County Counsel review, in the maximum total aggregate amount of \$1,200,000 from September 1, 2019 through August 31, 2021; and
- c. Accept non-standard contract provisions as recommended by the Director of Information Technology.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve and authorize the Director of Information Technology or his designee to sign a non standard Master Agreement with AT&T, enabling the County to procure AT&T telecommunication services at discounted rates through authorized AT&T Solution Providers; and
- b. Authorize the Director of the Information Technology Department to execute pricing schedules, order forms and similar documents, as necessary, to utilize the AT&T Master Agreement to purchase AT&T Services through authorized AT&T Solution Providers, subject to prior County Counsel review, in the maximum total aggregate amount of \$1,200,000 from September 1, 2019 through August 31, 2021; and
- c. Accept non-standard contract provisions as recommended by the Director of Information Technology.

SUMMARY:

Currently, the Information Technology Department (ITD) is authorized by the Board of Supervisors to purchase AT&T telecommunication services under the terms of the State of California CALNET Agreement; CALNET terms enable the County to benefit from reduced pricing for a comprehensive array of telecommunications services.

ITD has learned that in addition to the State CALNET Agreement, AT&T offers special discount pricing on services purchased through authorized AT&T Solution Providers, i.e., third-party brokers of AT&T services. Approval of the proposed AT&T Master Agreement will enable the County to work with authorized AT&T Solution Providers to procure internet connections with enhanced data transmission capabilities at the lowest price possible.

DISCUSSION:

Pursuant to Board authorization, the County currently procures AT&T telecommunication services pursuant to the terms and pricing of the State of California CALNET Agreement. This procurement method enables the County's purchase of essential services at lower prices and on more favorable terms than are typically available in information technology agreements.

The proposed Master Agreement with AT&T will provide the County an additional procurement option. If approved by the Board, the County will be able to work with third-party brokers, AT&T Solution Providers, to purchase AT&T telecommunications services at deeper discounts than are available under the CALNET agreement. Execution of the AT&T Master Agreement is required to procure services in this manner. Separately, ITD will bring agreements with AT&T Solution Providers to the Board for its consideration. At this point in time, ITD is exploring agreements with two AT&T Solution Providers: Nobilete Communications LLC and Bridgepointe Technologies.

Historically, the data transmission capabilities of internet connections, i.e., "bandwidth," has become less expensive as technology advances. ITD has priced the bandwidth of internet connections available through the AT&T Master Agreement and AT&T Solution Providers and has identified cost savings.

For example:

CALNET - 1 Gigabyte Internet Connection is approximately \$5,000 a month.

AT&T Master Agreement - 1 Gigabyte Internet Connection is approximately \$1,700 a month.

The ability to purchase AT&T services through AT&T Solution Providers, under the terms of the Master Agreement, provides ITD with additional options when County Departments request services requiring enhanced bandwidth. The AT&T Master Agreement and any agreement executed with an authorized AT&T Solution Provider are not exclusive; the County will retain its ability to purchase AT&T services by incorporating the terms of the CALNET agreement, and will retain its ability to purchase services directly from AT&T rather than using an AT&T Solution Provider. ITD will choose the best service available for the best price, resulting in overall cost savings and enhancement of County network capabilities.

ITD proposes that the Board approve the proposed method of procuring AT&T services by authorizing the Director of ITD to sign the AT&T Master Agreement, and to sign pricing schedules, order forms and similar documents to make purchases. ITD proposes that this authority be granted for a period of that authorized purchases do not exceed a maximum total aggregate amount of \$1,200,000 over the next two years. Purchases will be subject to prior County Counsel review. Purchases of AT&T services that exceed these limits will be brought to the Board for individual approval.

It is recommended that the Board authorize the proposed option for procurement of AT&T telecommunications services. The proposed AT&T Master Agreement contains terms that are non-standard to the County but are common in the information technology industry. While the AT&T Master Agreement requires the County to agree to annual purchases in specified amounts, and to pay a penalty if that annual amount is not met, ITD regularly analyzes and predicts, with significant accuracy, the County's annual technology needs and associated costs. ITD will manage any such required annual purchases made pursuant to the AT&T Master Agreement so as to avoid payment of

any “shortfall” penalty. Accordingly, the Director of ITD recommends Board approval, in order to provide procurement flexibility that will enhance the technical capabilities of the County network at the best available discounts.

The Agreement to this Report and are on file with the Clerk of the Board.

OTHER AGENCY INVOLVEMENT:

County Counsel reviewed the AT&T Master Agreement and cannot approve the following nonstandard provisions: late payment fees; County obligation to reimburse AT&T for collection costs, including attorneys’ fees; County’s obligation to make a 12-month revenue commitment when it purchases services; County’s obligation to pay “shortfall charges” in the event it does not meet its 12-month revenue commitment; limitations on the type of and amount of damages available to the County in the event of breach; no AT&T responsibility for damages to the County network and delays/interference in services delivered; no warranty of AT&T services; non-standard termination provisions; County obligation to pay 50% termination charges for terminations without cause; force majeure provisions; abbreviated statute of limitations; and governance by New York state law.

FINANCING:

As this request represents a requirement for multiple County departments, there is no singular department information to be noted under this section. However, funds requested are already included in the all respective FY 19-20 County department specific submitted budgets. The goal of this agreement is to bring about County savings for current existing expenditure. Any future year requirements will be submitted by all appropriate departments for each respective fiscal year.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The services obtained pursuant to the AT&T Master Agreement will enable the County to work directly with AT&T Solution Providers to obtain the best pricing on County purchases of AT&T telecommunication services.

Mark a check to the related Board of Supervisors Strategic Initiatives

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

Prepared by: Sandra Shaffer, Management Analyst III, 759-6957

Approved by:

Date: _____
Eric A. Chatham, Director of Information Technology, 759-6920

Attachments: AT&T Master Agreement