



## Legislation Details (With Board Report)

<b>File #:</b>	A 15-254	<b>Name:</b>	Ariel Link Agreement
<b>Type:</b>	BoS Agreement	<b>Status:</b>	Passed
<b>File created:</b>	7/7/2015	<b>In control:</b>	Board of Supervisors
<b>On agenda:</b>	7/28/2015	<b>Final action:</b>	7/28/2015

**Title:** Approve and authorize the Director of Information Technology to execute a standard agreement with Ariel Link for the purpose of performing an audit of the County’s telecommunication invoices, compensation to occur only if actual savings are achieved and, if so, to be paid as a set percentage of the amount of actual savings achieved.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Board Report - Supplemental Correction, 2. Agreement with Ariel Link, 3. Exhibit A - Ariel Link SOW, 4. Completed Board Order, 5. Fully Executed Agreement between the County of Monterey and Ariel Link

Date	Ver.	Action By	Action	Result
7/28/2015	1	Board of Supervisors	approved	

Approve and authorize the Director of Information Technology to execute a standard agreement with Ariel Link for the purpose of performing an audit of the County’s telecommunication invoices, compensation to occur only if actual savings are achieved and, if so, to be paid as a set percentage of the amount of actual savings achieved.

### RECOMMENDATIONS:

It is recommended that the Board of Supervisors approve and authorize the Director of Information Technology to execute a standard agreement with Ariel Link for the purpose of performing an audit of the County’s telecommunication invoices, compensation to occur only if actual savings are achieved and, if so, to be paid as a set percentage of the amount of actual savings achieved.

### SUMMARY/DISCUSSION:

The County’s telecommunications services are provided by AT&T and Verizon. Currently the County does not possess the capability, in terms of human resources or subject matter expertise, to conduct a comprehensive audit on the County’s telecommunications billing. A comprehensive audit is advisable, however, and if conducted, is expected to result in savings.

An example of the need for an audit is the recent transition from the CALNET 2 to the CALNET 3 Agreement, and the results on the AT&T invoices. The CALNET 2 and CALNET 3 Agreements allow the County to receive discounted rates from several vendors in the telecommunications industry. The CALNET 3 Agreement replaced the CALNET 2 Agreement in November 2014. Over the past six months, AT&T has credited the balance owed under CALNET 2 and created new accounts with a balance owing under CALNET 3. These invoices are complex, making it extremely difficult to track the ending CALNET 2 balance, credited amounts, and opening CALNET 3 balance. The County receives invoices totaling between 1,100 to 1,400 pages per month. Each invoice contains multiple circuit numbers which must be traced back to the pre-CALNET 3 invoices. The time needed to determine that AT&T credited the correct amounts and then generated an accurate CALNET 3 invoice exceeds the time and resources available to Information Technology Department (ITD)

staff.

Ariel Link contractors have been providing telecommunications auditing services to government agencies for over twenty years. Local government agencies in Long Beach, Los Angeles, Ventura and San Francisco have contracted with Ariel Link for their services. Ariel Link has also provided audit services to California State Universities in San Jose and San Francisco and to several non-profit hospitals.

Ariel Link will analyze both fixed (monthly recurring) and variable (usage) costs using its proprietary software. Ariel Link will use its expertise in telecommunications rates and tariffs to verify billing accuracy. Using both software review and human investigation, it will provide reports to the County that identifies either (1) one time overcharges or (2) ongoing, recurring overcharges, or both. With the County's consent and direction, Ariel Link will negotiate with AT&T and Verizon to obtain settlements correcting billing errors and obtaining refunds.

Where Ariel Link identifies a one-time refund or credit owed to County by AT&T or Verizon, it will be compensated with 39% of these savings, after those savings are actually realized by refund or credit to the County. Where Ariel Link identifies on-going cost reductions owed by AT&T or Verizon, it will be compensated with 39% of the on-going cost reduction for a period of 24 months, again, after these savings are verified and actually realized by the County. Ariel Link is owed no compensation if it does not identify billing errors and/or overcharges that result in actual savings for the County. Ariel Link is owed no compensation for billing errors and/or overcharges that are identified by County personnel.

This compensation is consistent with that paid by other parties for the same auditing service. In the contract, Ariel Link represents and agrees that the compensation to be paid by the County, in terms of percentage of savings achieved, is no more than that it charges to other customers.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed the Ariel Link contract for form and legality.

FINANCING:

The funds to be paid to Ariel Link for compensation will come directly from savings resulting from the audited telecommunications billings. As such, there will be no budgeted monies expended and no impact on the General Fund.

Prepared by: Elizabeth Crooke, 755-5108

Approved by:

Dianah Neff, Director of Information Technology, 759-6923

Attachments:

1. Ariel Link Agreement
2. Ariel Link Exhibit A-SOW