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**PIMA COUNTY**

**MEMORANDUM**

INFORMATION TECHNOLOGY

Date: December 21, 2015

To: Chuck H. Huckelberry  
County Administrator

From: Jesse Rodriguez  
Chief Information Officer

Via: Tom Burke  
Deputy County Administrator for Administration

Re: Additional Spending Authority for Cox Communications Master Agreement 14\*046

The Pima County Information Technology Department (PCITD) partners with communications providers like Cox Communications, Level3 and CenturyLink to provide critical services to Pima County departments and their tenants. These services include:

1. Dial tone services in various formats such as analog lines (for alarms, faxes and elevators), digital Primary Rate Interface (PRI) circuits for incoming and outgoing calls on the County phone system, and Session Initiated Protocol (SIP) trunk technology for redundant outgoing County phone system use;
2. Internet connectivity for use by Pima County departments and select elected officials;
3. Digital Metro E connectivity for remote sites outside of Pima County infrastructure to access the central network resources; and
4. TV services in Pima County facilities as needed.

The dynamic quality of departmental requirements as well as physical location can impact which provider is able to supply the best services at the best price. Given the competitive nature of these services, it is not unusual for one provider to offer deeper discounts on services which directly benefit Pima County. When this occurs PCITD may move services between providers to realize the savings.

The issue before us was caused by changes in services and providers and payments made from the Cox Communications Master Agreement (MA) for telecommunications instead of the Cox Communications MA for Fiber Optic services. This created a need to increase spending authority for Cox Communications MA 14\*046. The information below explains the service changes and payment processing which required the spending authority increase.

**Service Changes**

**Dial Tone Service Connection issues**

Historically, CenturyLink has provided to Pima County dial tone services for the ShoreTel phone system. In the summer of 2014, the County began experiencing frequent outages. PCITD evaluated other provider options that would provide reliable service while realizing cost savings.

Cox Communications provided a redundant design that not only required fewer circuits than the CenturyLink solution, but their design was offered with significant cost savings. Additionally, Cox Communications' long distance fees were less than half of the per-minute rate quoted by CenturyLink. These factors revealed savings of over \$3,000 per month for Pima County and resulted in the decision to move services from CenturyLink to Cox Communications in September 2014. The following table provides the details of the cost savings: Primary Rate Interface

Provider	Cost per PRI circuit	# PRI circuits required	Total monthly cost
CenturyLink	\$ 450	12	\$ 4,800
Cox Communications	\$ 250	8	\$ 2,000

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#### **Dial Tone Service Expansion**

As the ShoreTel phone system continued to be rolled out to new departments, dial tone services needed to be expanded. To add more flexibility, capacity and redundancy to the ShoreTel system, PCITD decided to use Session Initiated Protocol (SIP) trunks for the expansion. The addition of 100 SIP trunks from Cox Communications was the most competitive option. This new service added an additional \$2,845 per month to the Cox Communications MA 14\*046.

#### **Need for Increased Internet Connectivity**

With the addition of internet and cloud based solutions such as ADP, PCITD requested quotes from both Level3 and Cox Communications (our existing internet providers) to increase internet connections to 1 Gigabyte per second (Gps) from 200 Megabytes per second (Mps) resulting in a fivefold increase in Internet performance. Cox Communications offered the best rates. The additional cost for the increased bandwidth impacted Cox Communications MA 14\*046 by an increase \$7,865 per month.

#### **Need for Increased Remote Site Connectivity**

Cox Communications provides Wide Area Network connectivity to numerous outlying sites to allow departments at this facilities access to County network resources. The departments include Natural Resources Parks and Recreation, Regional Waste Reclamation Department, Community Services and the Health Department. As these departments change their staffing levels, the services offered to the public, or the applications used to perform operational tasks, they submit requests to increase or decrease connectivity service. Most requests are for additional bandwidth which increases the monthly recurring costs for that site. These needs have increased the payments against Cox Communications MA 14\*046 by \$6,290 per month.

#### **Payment Processing**

Most invoices from utilities are monthly recurring charges (MRC) resulting in the same cost every month. If the MRC does not change, Delivery Orders (DO's) are easily estimated and processed through the AMS financial system. However, usage of long distance and internet bandwidth fluctuate causing the amount due to change accordingly. To avoid multiple revisions of the DO, many were created at the time of invoicing. Although this method seemed to be less cumbersome, it did not provide the consistent invoice and payment process that was needed.

Due to the inconsistency of invoices, bills for the Fiber Optic services were charged erroneously the telecommunications MA, both of which are with Cox Communications. This resulted in \$112,100 being charged to MA 14\*046 instead of MA 15\*262.

To avoid this happening again, DO's have been created with an estimated cost per month. Since the amounts may change, the requested amounts per year may be higher and result in a larger contract request. As the invoices are received, DO's may need to be adjusted accordingly to reflect the invoice total. By creating the DO and receiving against it, the dollars will be encumbered up-front. Any changes to amount due will need to be approved through the AMS approval workflow. Additionally, the DO will prevent unauthorized increase in services and accommodate monitoring of the total spending against the MA.

As the communication needs of Pima County change, IT will continue to review the services and quotes from our approved vendors. If a service should move to a different provider, IT will work with Procurement to ensure the Master Agreements involved have the correct spending authority to permit such a change.

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**Budget Information**

When services move from one provider to another there will be unused spending authority remaining on the provider MA from which the services were moved. This is the case for some of the Cox Communications invoices. Costs for telephone and internet are included in the approved IT Budget and no additional funds are required. The tables below show the charges that were incurred against MA 14\*046 and the expected changes to other contracts.

Increase to Cox Communications MA 14\*046:

Master Agreement	Vendor Name	Expenditure Description	Monthly Charges	Total
14*046	Cox Communications	Fiber Invoices	\$ 22,420	\$ 112,100
14*046	Cox Communications	SIP Dial Tone services	\$ 2,845	\$ 14,225
14*046	Cox Communications	Internet expansion from 200Mps to 1 Gps	\$ 7,865	\$ 39,325
14*046	Cox Communications	Increase PRI Circuits for remote site bandwidth	\$ 6,290	\$ 31,450
<b>Total increase in MA 14*046</b>				<b>\$ 197,100</b>

Decrease or amount no longer needed on MA 15\*262 and MA 13\*166.

Master Agreement	Vendor Name	Corresponding Decrease
15*262	Cox Communications	\$ 112,100
13*166	CenturyLink	\$ 31,450
<b>Total decrease for both MA's</b>		<b>\$ 143,550</b>

KJ/mk