

Office of the County Auditor

Auditor's Analysis

Council Bill No. 21-2022

Introduced: April 4, 2022

Auditor: Michael A. Martin

Fiscal Impact:

Per testimony from the Department of Technology and Communication Services (the Department), the fiscal impact of this legislation is an estimated savings of \$1,144,432 over the next five fiscal years. This is based on what the Director of the Department (the Director) estimates would be spent over the same period for these services without entering the proposed multi-year agreement.

The Director confirmed that some of the contract costs are based on the total number of County employees, meaning the overall cost may fluctuate as the number of County employees change.

Our Office reviewed the vendor quotation in Exhibit B of the legislation to confirm that the anticipated costs of the proposed agreement are accurately reflected in page 1 of the legislation as well as the Administration's testimony.

Our Office also obtained a vendor quotation for a one-year agreement for the same services, which confirmed the higher anticipated annual cost of \$805,294 without an agreement (as opposed to the annual cost of \$576,408 that will be possible through a multi-year agreement).

The Director has indicated this contract will be paid out of the Technology and Communication Internal Service Fund and its costs will be factored into the Department's "data processing" chargebacks starting in Fiscal Year 2024. These savings have not been factored into the Department's FY 2023 chargeback because the FY 2023 Operating Budget is already in proposed form. Therefore, the Technology and Communication Internal Service Fund will be receiving more revenue in its FY 2023 budget than is needed.

Purpose:

The purpose of this legislation is to approve a five-year agreement between the County and ePlus Technology (ePlus) for licensing and support of security services.

Other Comments:

The County receives its Cisco services through ePlus' Enterprise License Agreement (ELA), which is set to expire June 30, 2022. The Director indicated that all services to be provided in

this agreement are currently in production and incorporated in the County's cyber security operations.

As noted in Exhibit B of the legislation, the quote for security services from ePlus expired March 24, 2022. However, the Director indicated they have been in communication with the vendor and do not expect the terms and pricing to change.

The County established a contract (PA-003-2022) with ePlus that "piggybacks" off a contract ePlus has with the State of Maryland. This contract remains in effect through November 14, 2027, with a one-year automatic renewal at the end of that term.