

# Office of the County Auditor

## Auditor's Analysis

### Council Bill No. 28-2022

Introduced: April 4, 2022

Auditor: Michael A. Martin

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#### 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 \$464,406 over the next three 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 stated that although the costs of the licenses in this agreement are fixed, there could be adjustments if the County needs to purchase additional licenses in future years. Also, overages related to usage over a 12-month period could require the County to incur additional costs to increase its licensing coverages.

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 \$581,398 without an agreement (as opposed to the annual cost of \$426,596 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 three-year agreement between the County and ePlus Technology (ePlus) for licensed access to and support for Cisco's Universal Cloud services (i.e., WebEx) and its cloud-based Voice Over Internet Protocol (VOIP), which provides phone services to the County.

Other Comments:

Per the Director:

- This three-year agreement will provide the County with existing services at reduced costs, while still being short enough in duration to allow for flexibility should the County need to adapt to changes in the digital world.
- WebEx services have previously been purchased as a stand-alone product on an annual basis to meet the needs of a growing virtual workforce over the last two years.
- The County has purchased VOIP services in the past through multi-year agreements, and this contract will extend such services as they are set to expire at the end of Fiscal Year 2022. Voice Over Internet Protocol services include the actual Cisco phone handsets as well as Cisco's phone software (Jabber), which enables phone calls on laptops.

As noted in Exhibit B of the legislation, ePlus' quote for VOIP and Universal Cloud services expired March 25, 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.