



Engineering, Operations & Technology Committee

Procure America Telecommunications Audit

Item 7-5

August 19, 2024

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Procure America Telecommunications Audit

Subject

Amend an existing agreement with Procure America Inc. for a new annual maximum amount of \$ 340,000 per year for a new not-to-exceed amount of \$ 1.7 million over the term of the agreement for the audit of Metropolitan's telecommunications circuits.

Purpose

This action authorizes more funds for continued services provided by the audit which is saving Metropolitan over \$1 million dollars annually.

Recommendation and Fiscal Impact

Staff recommends authorizing the yearly increase of \$120,000 for the continued performance of the audit.

Budgeted

Vendor paid 30% of total savings realized.

Background



Audit Details

- MWD currently has 10 Telecommunications providers
- Over 2000 billing circuits providing Voice, Data, and Wireless Service
- MWD performs a circuit inventory audit to determine the effectiveness of the current system
- Audit allows MWD to maintain a streamlined Telecommunications budget by reviewing all expenses across all locations

MWD Locations Served

Details



Background



Audit Background and Scope

- MWD used a Cooperative Agreement from County of Orange
- Engaged with Procure America to conduct a Telecommunications review
- The scope of the review includes MWD's voice, data and mobile communications expenses across all locations
- Procure America was given access to MWD's wireline and wireless billing portals
- All required historical billing information was obtained by Procure America directly from the carriers

Background



Overview of Analysis

- Review wireline telecommunications invoices for MWD
- Perform contract compliance review
- Establish inventory of circuits
- Identify taxes or surcharges that MWD is exempt from
- Identify telecom services billing at sites that do not appear to be active MWD sites
- Identify services that may be redundant or no longer in use

Background



Overview of Analysis

- Review wireless telecommunications invoices for MWD
- Perform contract compliance review to ensure carriers are following the agreed upon terms and conditions and services are billing correctly
- Establish inventory of all wireless lines of service
- Analyze six months of talk, text and data usage for each line
- Inventory plans and features assigned to each line
- Identify lines showing no usage for more than six months
- Identify lines that do not have the optimum plans or features to match usage trends

Implemented Recommendations



Implemented Recommendations

- Disconnecting unused legacy lines from AT&T, Lumen & Frontier
- Removing phone line voice features that are not needed
- Disconnecting legacy ISDN-BRI circuits and dedicated internet Circuits at 700 Alameda
- Improved pricing on Crown Castle circuits
- Eliminating Utility Users Tax
- Reviewed adjusting plans on 278 Verizon lines
- Suspending or deactivating unused lines

Summary

- The audit has generated a savings of \$ 1,128,000 yearly
- At a thirty percent savings share, Procure America's annual fee would be \$340,000
- This exceeds the agreed upon fee of \$220,000 annually
- This action authorizes an increase of \$120,000 annually to provide payment for on-going savings found in the audit

Board Options

- Option #1
Amend an existing agreement with Procure America Inc. for a new annual maximum amount of \$340,000 per year for a new not-to-exceed amount of \$1.7 million over the term of the agreement for the audit of Metropolitan's telecommunications circuits.
- Option #2
Do nothing at this time.

Staff Recommendation

- Option #1

