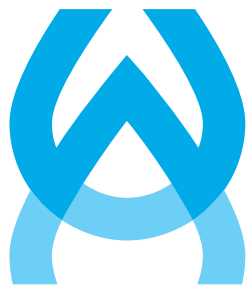


**AT&T Contract CS-1689**

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*7/25/2018*



**GLWA**  
*Great Lakes Water Authority*

# Executive Summary

Contract CS-1689 incorporates cost savings due to renegotiated pricing, optimization of services, and resolution of billing disputes. Additionally, it reduces the Minimum Annual Revenue Commitment (MARCC) and offers increased flexibility to terminate services without penalties.



# Key Benefits Summary

- Cost Savings
- Flexible termination language
- DWSD Migration of services
- Optimization of services
  - Redundancy/inefficiency elimination
  - Voice Over Internet Protocol (VoIP)
  - Proof Point e-mail protection



# Cost Savings

- A \$1.3 M credit will be received three months after contract execution from AT&T to resolve billing disputes from FY16.
- >30% reduction in annual spend rate from FY16 to FY18
  - FY16 – \$18.8 M (*annualized*)
  - FY17 – \$16.3 M
  - FY18 – ~\$12.0 M (*preliminary*)
- Reduction in MARC from \$7 M to \$4.8 M



# Flexible Termination Language

The contract is for a 60-month term upon board approval. This provides for maximum stability, however GLWA may also opt out of the majority of the services 12 months after installation (which has already occurred for many components).



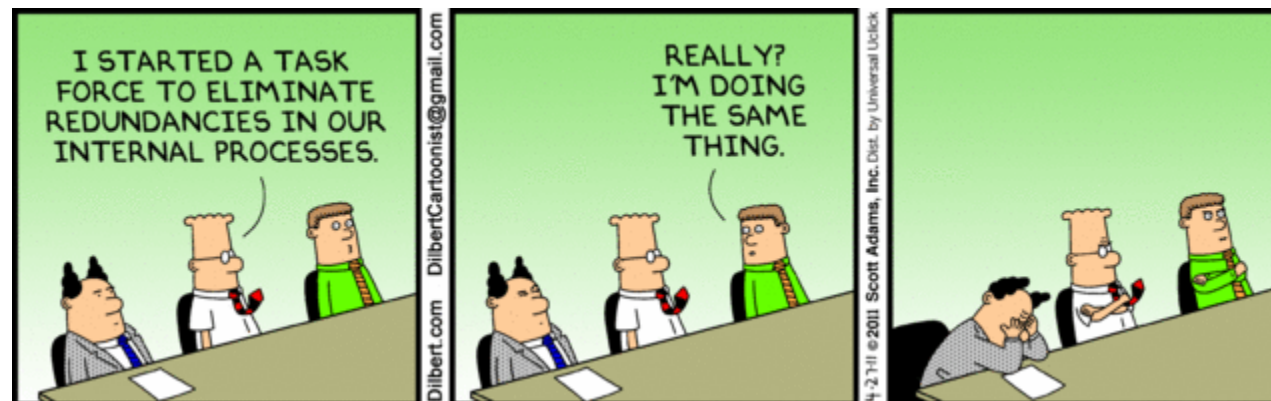
# DWSD Migration of Services

The contract contains a schedule specifically to allow DWSD to migrate services at their five locations to the City of Detroit prior to December 2019 with no penalty.



# Redundancy/Inefficiency Elimination

- Eliminate high-cost Symantec security consultant and replace with in-house resource
- Discontinue IP Flex (current connectivity for Fujitsu phone system)
- Use savings to fund items on next pages





# Voice Over Internet Protocol (VoIP)

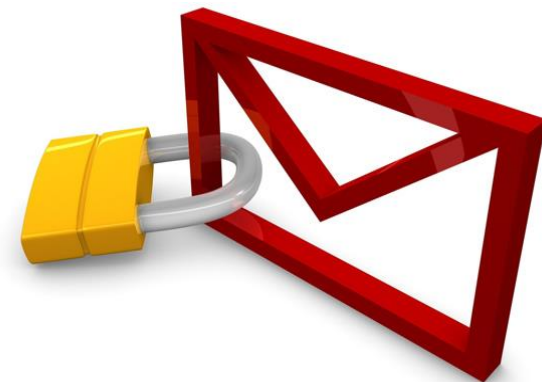
AT&T's VoIP offering, called Unified Communications as a Service (UCaaS), moves GLWA from an outdated on-premise Fujitsu phone system to a VoIP cloud-based service that offers a variety of communication and collaboration tools and services to better support our business telecommunication needs.





# Email Protection

- Proof Point email protection reviews all incoming emails prior to reaching users' inboxes to prevent malware, phishing, and other cyber security threats.
- Enhanced Cyber Security (ECS) is an additional layer of malicious email filtering. ECS from AT&T is looking for Advanced Persistent Threats (APTs) from nation-state adversaries via classified threat information that is only available to government entities using these services.



# Questions

