



## Legislation Details (With Text)

**File #:** 2018-820      **Version:** 1      **Name:**  
**Type:** Resolution      **Status:** Passed  
**File created:** 7/11/2018      **In control:** Board of Directors  
**On agenda:** 7/25/2018      **Final action:** 7/25/2018

**Title:** Proposed Amendment No. 2  
 Contract No. CS-1689  
 AT&T Telecommunication/ WAN/ LAN/ Managed Security Services

**Sponsors:** Jeffrey Small

**Indexes:** Information Technology

**Code sections:**

**Attachments:** 1. ATT Changes Board Presentation, 2. Response to Questions from Member Daddow, 3. DWSD Original ATT Master Agreement 2010, 4. ATT GLWA MOU Executed

Date	Ver.	Action By	Action	Result
7/25/2018	1	Board of Directors	Approved	Pass

**Proposed Amendment No. 2**  
**Contract No. CS-1689**  
**AT&T Telecommunication/ WAN/ LAN/ Managed Security Services**

Agenda of: July 25, 2018  
 Item No.: **2018-820**  
 Amount: \$60,000,000

**TO:** The Honorable  
 Board of Directors  
 Great Lakes Water Authority

**FROM:** Sue F. McCormick  
 Chief Executive Officer  
 Great Lakes Water Authority

**DATE:** July 11, 2018

**RE:** **Proposed Amendment No. 2**  
**Contract No. CS-1689**  
**AT&T Telecommunication/ WAN/ LAN/ Managed Security Services**  
**Vendor: AT&T**

### MOTION

Upon recommendation of Jeffrey E. Small, Chief Information Officer, The Board of Directors (Board) of the Great Lakes Water Authority (GLWA), **authorizes the Chief Executive Officer (CEO) to enter into Amendment No. 2, Contract**

**No. CS-1689, “AT&T Telecommunication/ WAN/ LAN/ Managed Security Services” with AT&T, at a cost not to exceed \$60,000,000 for a duration of five years;** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

### **BACKGROUND**

On March 22, 2017, The Great Lakes Water Authority Board of Directors approved a Memorandum of Understanding (MOU) related to Contract CS-1689 between Great Lakes Water Authority (GLWA), Detroit Water and Sewerage (DWSD) and AT&T to recast, extend and transfer all AT&T Telecommunications and Network services from DWSD to GLWA. The MOU was created as a result of discussions to address increased charges which, as of August 2016, led to a run rate from AT&T services of \$17.9M per year. This was an unsustainable amount and compared to an FY17 budget of \$6M. The MOU also confirmed the intent of GLWA and AT&T to negotiate a new contract amendment. This amendment formalizes the principles of the MOU, adds additional services and benefits for GLWA, and provides a mechanism for DWSD to migrate their services without penalty.

### **JUSTIFICATION**

This amendment incorporates cost savings due to renegotiated pricing, optimization of services, and resolution of billing disputes. Additionally, it reduces the Minimum Annual Revenue Commitment (MARC) and offers increased flexibility to terminate services without penalties. Some key benefits are as follows:

- \$1.3M credit will receive three months after contract execution from AT&T to resolve billing disputes from FY16.
- Flexible Termination Language - While the contract is for a 60-month term to provide for maximum stability, GLWA may opt out of the majority of the services 12 months after installation (which has already occurred for most components)
- DWSD Migrated Services - In addition to the shortened requirement before termination, there is a schedule specifically to allow DWSD to migrate services at their five locations to the City of Detroit prior to December 2019 which was the original contract term.
- Optimization of Services - Eliminates inefficient or redundant services and adds value add offerings without additional cost
  - Unified Communications as a Service (UCaaS) - moves GLWA from an outdated on-premise Fujitsu phone system to a Voice over Internet Protocol (VoIP) cloud -based service that offers a variety of communication and collaboration tools and services to better support our business telecommunication needs.
  - Proof Point - email protection that 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

### **BUDGET IMPACT**

The proposed procurement is within the FY 2019 Operations & Maintenance budget and the related five-year financial plan for telecommunications services in the following cost center: Information Technology Infrastructure (GL String is 5910-883331.000-626700-WS7900).

<b>Fiscal Year</b>	<b>Amount</b>
FY 2019 Plan	\$12,000,000.00
FY 2020 Plan	12,000,000.00
FY 2021 Plan	12,000,000.00
FY 2022 Plan	12,000,000.00
FY 2023 Plan	12,000,000.00
Financial Plan Estimate	\$60,000,000.00
Maximum Contract	60,000,000.00
Estimating Variance	\$0.00

**COMMITTEE REVIEW**

This item is being presented directly to the full Board of Directors for consideration.

**SHARED SERVICES IMPACT**

The proposed procurement of this item is related to shared services element #ITS-009 - IT Infrastructure where the agreed upon Cost Methodology is that the cost assumptions are allocated to DWSD at 20% of the total amount for services.