



El Dorado County Information Technologies

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March 2, 2006

Board of Supervisors
330 Fair Lane
Placerville, CA 95667

Subject: Agreement #536-S0611- SBC Global Services, Inc.

Dear Board Members:

Background: At the Board of Supervisors meeting of January 10, 2006 the Board approved Agreement #536-S0611, with SBC Global Services, Inc., for a three-year agreement for Opt-E-Man Ethernet Dedicated Internet Access. The full text of the January 10, 2006 letter to the Board of Supervisors is below.

Subsequent to the full execution of the agreement by both the Board Chairman and the SBC Contracting Manager, the Federal Communications Commission determined that there was an error on the Opt-E-Man FCC Special-Access Tariff Addendum to SBC Master Agreement. SBC voided the January 10th agreement and returned it to Information Technologies along with a corrected agreement that must be signed by the parties in its entirety. All other terms and conditions of the agreement remain the same.

The corrected agreement has been reviewed and approved by County Counsel, Risk Management and Procurement & Contracts.

Recommendations: Information Technologies is recommending your Board: (1) Make findings that it is more economical and feasible to obtain an outside contractor to provide Ethernet Dedicated Internet Access (EDIA) service in accordance with County Ordinance Chapter 3.13, Section 3.13.030; (2) Approve Agreement #536-S0611 with SBC Global Services, Inc, in an amount not to exceed: \$92,340.00 for a three (3) year period plus \$325.00 in one-time non-recurring charges, for 10 million bit-per-second (mb/sec) access to the Opt-E-Man EDIA; and (3) Authorize Chairman to execute said SBC Master Agreement, Opt-E-Man FCC Special Access Tariff Addendum and SBC Premier SERVSM Dedicated Internet Access (DIA) Addendum.

Funding Source: General Fund

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Reasons for Recommendation: Currently the County utilizes two dedicated 1.5 mb/sec T-1 communication links, provided by SBC Global Services, Inc., for access to the Internet. Due to the increase of County Internet traffic these links are totally saturated during much of the business day, resulting in extremely sluggish Internet response time throughout the County. For example, the Sheriff's Office has been precluded from introducing a critical new web-based application due to the substandard Internet performance and Child Support Services relies heavily on the Internet for communication with various State offices and poor Internet access reduces employee productivity.

Attempts to improve performance of the T-1's by County and SBC staff have been exhausted. Adding more T-1's or other available high speed connections are cost-ineffective inasmuch as it creates a nearly impossible requirement to balance the traffic over multiple links and the price of additional T-1's does not justify the performance gain. The cost of two T-1 links, with a capacity of 3 mb/sec is \$1,390.42 per month. The cost of one 10 mb/sec Opt-E-Man link is \$2,565.00 per month. The FY 05/06 cost for Internet access will be increased by approximately \$4,000.00, of which the Sheriff's Office has agreed to pay \$1,000.00 and IT, will be responsible for \$3,000.00.

County Counsel and Risk Management have approved this agreement. Procurement & Contracts has processed Agreement #536-S0611 with SBC Global Services, Inc. for thirty-six (36) month service of Opt-E-Man Internet access for an amount not to exceed \$92,340.00, (\$2,565.00 per month for 36 months), plus a \$325.00 one-time non-recurring installation charge. The term of the agreement will begin when signed by both parties and when the service has been installed.

Regarding the non-standard agreement with SBC Global Services, Inc., County Counsel's office wishes to inform the Board: (1) the agreement is governed by the laws of Texas; (2) the agreement does not have the standard "fiscal out" clause; (3) the agreement has a non-standard limitation of liability clause limited to three months payments; (4) the agreement does not have the County standard indemnification clause; and (5) the agreement has a late payment penalty clause and an early termination penalty clause.

Despite the above non-standard provisions and because of the value we receive from this service and the high quality of support we receive from the vendor for other data connections, IT recommends the approval of this agreement.

The County Officer or employee with responsibility for administering this Agreement is Steve Featherston, Assistant Director, Information Technologies, or successor.

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Fiscal Impact: The funding source for this service is in the Information Technologies and Sheriff's Department budgets. (General Fund)

Net County Cost: No change in net County cost.

Action to be Taken Following Approval: Following Board approval, County Clerk's Office shall forward executed amendment to Procurement & Contracts, who will obtain the necessary SBC signatures and make arrangements for distribution, administration and encumbrance as needed.

Respectfully,

Jacqueline K. Nilius

Director

Cc: Procurement & Contracts, Sheriff's Office, County Counsel

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