

For the Agenda of:
June 17, 2009

To: Board of Supervisors
From: Office of Communications and Information Technology (OCIT)
Subject: Report Back – Annual Cell Phone Costs and Savings
Contact: David Villanueva, Chief Information Officer, 874-7825

BACKGROUND

The Board of Supervisors asked for information regarding the County's cell phone costs and contracts.

DISCUSSION

OCIT has been working over the past year to reduce countywide cell phone costs, and increase the efficiency of the plans we use to provide service. Since July of 2008, our monitoring has resulted in a 12.5% decrease in annualized costs.

- **Annual Cell Phone Costs** - \$2.1 million per year. This is a decrease from the \$2.4 million annualized charge as of July, 2008. (A reduction of \$300,000). There are approximately 5,800 cell phones accounts in the county. Based on coverage needs, the approximate usage by providers are Verizon (2,400 phones), Sprint/Nextel (1,700 cell phones), and AT&T (1,700 cell phones). "Cell phones" include: cell phones, PC Cards, Blackberries, Trios, I-phones, etc.
- **Renegotiate Contract with Ten Percent Savings** - The County utilizes two Master Service Contracts for cell phone services. For Verizon we leverage the State of California's Strategic Sourcing Initiative (CSSI). For Sprint/Nextel and AT&T we leverage the WSCA (Western States Contracting Alliance). Both have provided a more cost competitive solution than the County was able to negotiate on its own. The County does not have the option to renegotiate the terms of these Master Service Contracts.
- **Reduction of Cell phone Costs (ten percent)** – As noted above (Annual Cell Phone Costs) there has been a reduction of \$300,000 (12.5%) annualized costs for all funds. This was a result of OCIT reviewing, with County departments, their cell phone bills and services. This review has led to the termination of cell phones (212 phones), changes to more economical usage plans and deletion of monthly add-on services that were not being used.

Note: This data excludes usage by the District Attorney, Sheriff, and Retirement, which utilize the contracts but they have opted to establish and manage their own accounts with the providers.

OCIT will continue to assist Departments to identify savings, however, Departments have wide discretion to increase or decrease actual cell phone use. Assuming a high percentage of county employees slated for layoff have cell phones, additional phones will be turned in and contracts cancelled in July, increasing the countywide savings. At this time, we do not have an estimate related to those savings.

Respectfully submitted,

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Chief Information Officer

APPROVED:
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County Executive

By: _____
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