

Office of the County Auditor
Auditor's Analysis

Council Bill No. 59-2021

Introduced: September 8, 2021

Auditor: Michael A. Martin

Fiscal Impact:

The fiscal impact of this legislation is an increase of \$170,837 in County expenditures, which was determined by taking into consideration the following:

\$ 485,400	Total 3-Year Cost of Agreement
42,237	Cross Connection Costs
(93,600)	Existing Rate for Services (\$2,600/month)
(263,200)	HCPSS Share of 3-Year Costs (noted below)
<u>\$ 170,837</u>	<u>Net Fiscal Impact</u>

Our Office reviewed the vendor quotation in Exhibit A of the legislation to confirm that the anticipated costs of the proposed agreement are accurately reflected in the legislation as well as in the Administration's testimony.

The Howard County Public School System (HCPSS) and the County are working to enter an Intergovernmental Agreement (IGA) that would dictate how much HCPSS would provide to the County for the services provided to them through this contract. The Department of Technology and Communication Services (DTCS) stated the plan is for HCPSS to pay the County a monthly amount of \$6,200 over the 3-year agreement with an additional \$20,000 in each of the first two months. The DTCS confirmed that the revenues and expenditures related to the HCPSS portion of this contract would be accounted for in the Non-County Broadband Initiative Fund.

The DTCS has indicated that the County ultimately plans to pay for the non-HCPSS share of this contract using American Rescue Plan (ARP) Funds, which have not yet been appropriated in the County's budget. Until ARP Fund are appropriated, these expenditures will be paid out of the County Broadband Initiative Fund, which is supported by General Fund chargebacks.

Per DTCS, the ARP grant expenditure plan is still in development and details are not available at this point on which specific projects will be charged to the ARP grant.

Purpose:

The purpose of this legislation is to approve a 3-year agreement between the County and Hurricane Electric, LLC, in order to utilize broadband infrastructure to provide additional Internet Service Provider (ISP) service to the County as well as HCPSS.

Other Comments:

The DTCS indicated that the services provided by Hurricane Electric, LLC, last year were inexpensive enough to not require a procurement contract. Because a procurement contract is now needed for this agreement, the County's Purchasing Administrator is working on "piggybacking" off of a contract the vendor has with another jurisdiction. However, a suitable contract has not yet been identified by Purchasing.

According to DTCS, the proposed service agreement (which will be executed via purchase order) is for a fixed price and does not include any renewal or extension options. The County is its own ISP and used Hurricane Electric, LLC, last school year to provide the additional bandwidth required by HCPSS as a result of remote learning and increased internet capacity.