

# Comparing a Statewide Broadband Contract to Individual State Agency Contracts

## Executive Summary

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Intent language in the Department of Administration's FY2016 appropriation, SB1175, directs the agency to "analyze and justify the cost, benefits, and flexibility of a statewide contract" for broadband services to state agencies versus agencies individually procuring the services. The intent language also limits the term of any contract for broadband to 12-months.

Today, agencies purchase broadband service through five separate contracts, including the emergency contract with CenturyLink, which expires on August 27<sup>th</sup>, 2015 but allows for up to 120 days of transition time to move agency services from the emergency contract to open and competitively bid suppliers. The contracts are used by 45 agencies, boards, and commissions. Monthly costs are approximately \$260,000. There are two related contracts for internet service and eight related contracts for cybersecurity.

### Analysis of Costs, Benefits and Flexibility

In each case reviewed, a centrally procured statewide network proves to be the most advantageous.

- Centralized networks are an inherently more robust defense against cybersecurity attacks than disaggregated networks.
- A centrally procured statewide network is more cost effective than separate agency procurements when comparing total costs, including one-time, recurring, aggregation, and development costs. Through central procurement, the state becomes a large-scale customer and leverages its buying power to obtain lower costs. Additionally, a statewide contract takes less effort and fewer resources than having agencies procure and manage networks individually.
- Individual procurement results in duplication of hardware and services, increasing costs.
- A statewide network is in alignment with state policy guidance and strategy. The Office of Performance Evaluations has recommended a coordinated, integrated approach to network services. The Idaho Technology Authority, which is comprised of state agency heads and legislators, has adopted this strategy and is working in concert with the Department of Administration to fulfill this vision for all agencies.
- Experts caution against individual procurements as they often result in less effective or less reliable consumer-grade services in order to lower pricing.
- Agencies recognize the value of a central network as reflected in the letters of support in Attachments B – F and the IT Leadership Council endorsement in Attachment G.

### Conclusion:

For these reasons, a statewide strategy for procuring broadband services, in accordance with legislative intent and encompassing agency requirements, is the most effective and efficient means for procuring broadband services for state agencies. Following legislative review of this document, we will proceed with issuance of a Request for Proposals (RFP) to replace the emergency contracts.