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DATE: December 4, 2015

TO: Board of Acquisition and Contract

FROM: John B. McCaffrey, Chief Information Officer
Department of Information Technology

RE: Resolution to exempt from the Westchester County Procurement Policy and Procedures, pursuant to Section 3(a)xxi thereof, an agreement (IT-1376) with Cablevision Lightpath, Inc., pursuant to which it will provide voice, video and data transmission services along a high-speed telecommunications network for a five-year period commencing on January 1, 2016 and continuing through December 31, 2020, with the County having the option to renew the agreement for up to two (2) additional five year terms.

The County of Westchester (the "County") respectfully requests that your Honorable Board exempt from the Westchester County Procurement Policy and Procedures, pursuant to Section 3(a)xxi thereof, an agreement (IT-1376) between the County and Cablevision Lightpath, Inc. ("Lightpath"), pursuant to which it will provide voice, video and data transmission services along a high-speed telecommunications network for a five-year period commencing on January 1, 2016 and continuing through December 31, 2020, with the County having the option to renew the agreement for up to two (2) additional five year terms.

Lightpath is the creator of the fiber infrastructure that provides the foundation of the County's vast network for voice, video and data transmission services. With more than 1,390 route miles and 85,756 fiber miles serving the County, Lightpath provides scalable and reliable access to over 96 County locations, as well as over 83% of the local municipalities, 40% of the local school districts, the Westchester Library System, the Lower Hudson Regional Information Center, and Northern Westchester BOCES, as well as many others. In all, the County's current Lightpath agreement provides infrastructure and service in over 200 buildings throughout Westchester County. The County's current Lightpath agreement provides infrastructure, connectivity and services for data, voice and associated cable services for all participants.

Switching to a new vendor for the term beyond the current agreement's expiration on December 31, 2015 would cause the County to incur at least \$95 million in costs, based on Lightpath estimates. Research by the Department of Information Technology shows that industry estimates place build-costs of fiber at approximately \$80,000 per mile. Recent build-outs of similar fiber networks show averages of \$67,000 per mile in rural areas and \$128,000 per mile in urban areas. This includes land and right-of-way acquisition, construction/inspection, network design, equipment, and initial administrative costs. Using the \$80,000 per mile figure, build-out of the existing network in Westchester would cost upwards of \$111 million.

These figures do not include the planned ability for further build-out of the network to incorporate new locations for use by the County, use by local municipal entities, and public safety use. The County's estimates place the value of build-out at approximately \$3.4 million dollars. These sites will be chosen by the County based on needs that the County determines and will be provided as part of IT-1376 at no additional cost to the County or local municipal entities.

The total reduction in actual costs for the new five-year term versus current five-year term is approximately \$8.2 million. This reduction is due in part to the existence of the infrastructure, which can be upgraded to the 'next generation' infrastructure in-place, with no impact on current operations. This 'next generation' upgrade and comprehensive bandwidth improvements are also included in the aforementioned \$3.4 million dollar savings and ensures that all infrastructure will be at state-of-the-art levels.

Additional savings have been negotiated through discounts that are based on volume levels reached by the County and the municipal entities that receive services based upon IT-1376 ("Interested Participants"). Existing Interested Participants already benefit from discounted pricing that was negotiated on Lightpath services that are provided specifically for their benefit. The interests of the County and the Interested Participants would be preserved through IT-1376.

Any procurement from another vendor of all of the services to be provided through IT-1376 would require duplication of services from both vendors (i.e., Lightpath and the new vendor) until a transition was complete. The County would expect that, given that all infrastructure would be duplicated, all services duplicated, and County administration would be duplicated, the cost would be virtually double during such transition. It should be noted, as above, that all Interested Participants would have to maintain this duplication, too, and would also have to replace all services that they currently receive through the County's existing Lightpath agreement and would receive through IT-1376. Again, this includes over 83% of the local municipalities, 40% of the local school districts, the Westchester Library System, the Lower Hudson Regional Information Center, and Northern Westchester BOCES, as well as many others. The County must not underestimate the logistical and financial impact to all of these entities, as well as the County, itself.

As demonstrated to date, Lightpath's services have the capability to scale and evolve to meet the needs of the County. Lightpath's existing infrastructure, level of services, ability to upgrade and expand most with the least impact to existing services for all County, municipal entities, and others using the County's current Lightpath agreement make it such that Lightpath provides for the best service and solutions for the County and the most cost-effective value for our residents and business.

Based upon the foregoing, it is proposed that the best interests of the County would be served by exempting this agreement from the Westchester County Procurement Policy and Procedures, pursuant to Section 3(a)(xxi) thereof. Therefore, a resolution to exempt this procurement is hereby submitted for your consideration.

I respectfully recommend adoption of the proposed resolution.

RESOLUTION

UPON A COMMUNICATION FROM THE CHIEF INFORMATION OFFICER,
DEPARTMENT OF INFORMATION TECHNOLOGY, BE IT HEREBY

RESOLVED, that pursuant to Section 3(a)(xxi) of the Westchester County Procurement Policy and Procedures, it is hereby determined that application of the procedural requirements contained therein, including the necessity of soliciting proposals, is neither cost effective nor expedient, and accordingly, not in the best interests of the County of Westchester (the "County") in connection with the procurement of an agreement (IT-1376) with Cablevision Lightpath, Inc., pursuant to which it will provide voice, video and data transmission services along a high-speed telecommunications network for a five-year period commencing on January 1, 2016 and continuing through December 31, 2020, with the County having the option to renew the agreement for up to two (2) additional five year terms.

APPROVED BOARD OF ACQUISITION & CONTRACT - 12/10/2015 - JAMES P. SCIARDI, SECRETARY