

49762

DATE: December 4, 2015

TO: Board of Acquisition and Contract

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

RE: AUTHORITY TO ENTER INTO 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, FOR A TOTAL AMOUNT NOT TO EXCEED \$17,564,566, PAYABLE PURSUANT TO AN APPROVED PRICE SCHEDULE, WITH THE COUNTY HAVING THE OPTION TO RENEW THE AGREEMENT FOR UP TO TWO (2) ADDITIONAL FIVE YEAR TERMS ON THE SAME TERMS AND CONDITIONS, EXCEPT THAT CENTREX VOICE SERVICES WILL NOT BE OFFERED.

BACKGROUND:

- By a resolution approved on March 2, 2000, your Honorable Board authorized the County of Westchester (the "County") to enter into an agreement (IT-233) with Cablevision Lightpath, Inc. ("Lightpath"), pursuant to which Lightpath was to provide the County with full voice, video and data transmission services along a high-speed telecommunications network (the "Telecommunications Services") for a five (5) year period, for an amount not to exceed \$23,453,541, with the County having the option to renew the agreement for up to two (2) additional five-year terms (the "Agreement"). The Agreement was subsequently executed.
- By a resolution approved on November 3, 2005, your Honorable Board authorized the County to exercise its first renewal option under the Agreement and thereby, 1.) extend the term of the Agreement by five (5) years, to a new termination date of December 31, 2010, with the County retaining the option to renew the agreement for one (1) additional five-year term thereafter, and 2.) increase the not to exceed amount of the Agreement by \$25,000,000, to a new total not to exceed amount of \$48,453,541, in order to pay for services during the extended term (the "First Renewal"). The First Renewal was subsequently executed.
- By a resolution approved on December 22, 2010, your Honorable Board authorized the County to exercise its second renewal option under the Agreement, as amended by the First Renewal, and thereby, 1.) extend the term of the Agreement by five (5) years, to a new termination date of December 31, 2015, and 2.) increase the not to exceed amount

of the Agreement, as amended by the First Renewal, by \$25,634,000, to a new total not to exceed amount of \$74,087,541, in order to pay for services during the extended term (the "Second Renewal"). The Second Renewal was subsequently executed.

- By amendments dated June 6, 2008, January 29, 2010, and January 23, 2013, the County and Lightpath amended the Agreement, as amended, to make available to the County additional services as part of Lightpath's provision of the Telecommunications Services (collectively, the "Three Amendments").
- The term of Agreement, as amended by the First Renewal, Second Renewal, and the Three Amendments, (the "Current Agreement") will end soon. However, the County continues to require the Telecommunications Services.
- Lightpath's fiber infrastructure is 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, under the Current Agreement, 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.
- Therefore, the County requests authority from your Honorable Board to enter into an agreement with Lightpath, pursuant to which it will provide the County with the Telecommunications Services, for a five-year term commencing on January 1, 2016 and continuing through December 31, 2020, for an amount not to exceed \$17,564,566, payable pursuant to an approved price schedule, with the County having the option to renew the agreement for up to two (2) additional five (5) year terms on the same terms and conditions, except that Centrex voice services will not be offered ("IT-1376").
- IT-1376 will give the County the right, to be exercised in the County's sole discretion, to terminate IT-1376 on thirty (30) days written notice to Lightpath, without any further obligation to Lightpath.
- IT-1376 will allow the County to continue the practice from the Current Agreement of entering into inter-municipal agreements ("IMAs") with local municipal corporations ("Interested Participants") that will allow them to receive services based upon the County's agreement with Lightpath. Under the Current Agreement, 44 municipalities, 16 fire districts, and 5 school districts in Westchester County have taken advantage of many of the same services and pricing the County has received under the Current Agreement. The Department of Information Technology ("DoIT") will continue to administer the implementation of each IMA and the transition to Lightpath facilities with each Interested Participant. This will be a DoIT shared service.
- IT-1376 will contain a revised pricing schedule for the County and Interested Participants. Under IT-1376, Lightpath will provide the County and Interested Participants with a combination of price reductions and capital investment that provides \$11.6 million in value, as follows:
 - \$8.2 million in savings to the County and Interested Participants for the proposed five-year term ending 12/31/20 (i.e., \$3.0 million more than the \$5.2

million in savings to the County and Interested Participants during the five-year term ending 12/31/15).

- \$3.4 million in investment by Lightpath in 'Next Generation Data Network' upgrades (as described below), upgrade of sites to 20 Mbps and 15 new builds without threshold
- IT-1376 will also specify that Lightpath will provide the County and the Interested Participants with a volume discount on future services if the County meets or exceeds specified revenue thresholds.
- IT-1376 will also specify that Lightpath will invest in the County's network infrastructure to update network elements that support the County's mission critical applications as part of the building of a 'Next Generation Data Network' for the County. This upgrade will drive improved reliability, service delivery, network performance and enable additional features, including self-provisioning of certain services in the future. Lightpath will selectively utilize wave division multiplexing ("WDM") technology to further enhance the capacity and efficiency of the network, as well as to reduce provisioning intervals. The network topology will consist of a combination of ring, mesh, and linear circuits, with state of the art failover capabilities—all with the objective of providing the optimal level of reliability and redundancy for each County location. This migration will be completed at a pace that maximizes the benefits to the County. The cost of building a comparable 'Next Generation Data Network' through a third party would be upwards of \$95 million.
- The proposed agreement will serve a public purpose by ensuring that the County (and each of the Interested Participants) has the most economical, reliable and efficient voice and telecommunication services possible.
- The goal and objective of the proposed agreement is to ensure that the County (and each of the Interested Participants) has the most economical, reliable and efficient voice and telecommunication services possible.
- The goal and objective of the proposed agreement is in the best interests of the County in terms of fiscal responsibility, as it provides reliable and efficient voice and telecommunication services to the County in the most economical fashion possible.
- The goal and objective of the proposed agreement will be tracked and monitored by the staff of DoIT.
- Authority to exempt the proposed agreement from the requirements of the Westchester County Procurement Policy, pursuant to Section 3(a)(xxi) thereof, has been submitted to your Honorable Board by a separate resolution of even date herewith.

ACTION REQUESTED:

- Authority to enter into an agreement with Lightpath, pursuant to which it will provide the County with the Telecommunications Services, for a five-year term commencing on January 1, 2016 and continuing through December 31, 2020, for an amount not to exceed \$17,564,566, payable pursuant to an approved price schedule, with the County having the option to renew the agreement for up to two (2) additional five (5) year terms on the same terms and conditions, except that Centrex voice services will not be offered.

I respectfully recommend adoption of the proposed resolution.

APPROVED BOARD OF ACQUISITION & CONTRACT - 12/10/2015 - JOAN COCCIARDI, SECRETARY

RESOLUTION

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

RESOLVED, that the County of Westchester (the "County") is hereby authorized to enter into an agreement with Cablevision Lightpath, Inc. ("Lightpath"), pursuant to which it will provide voice, video and data transmission services along a high-speed telecommunications network to the County, for a five-year term commencing on January 1, 2016 and continuing through December 31, 2020, for an amount not to exceed \$17,564,566, payable pursuant to an approved price schedule, with the County having the option to renew the agreement for up to two (2) additional five (5) year terms on the same terms and conditions, except that Centrex voice services will not be offered ("IT-1376"); and

RESOLVED, that under IT-1376, the County will have the right, to be exercised in the County's sole discretion, to terminate IT-1376 on thirty (30) days written notice to Lightpath, without any further obligation to Lightpath; and be it further

RESOLVED, that under IT-1376, the County will be allowed to enter into inter-municipal agreements with local municipal corporations ("Interested Participants") that will allow Interested Participants to receive services based upon IT-1376; and be it further

RESOLVED, that under IT-1376, Lightpath will provide the County and the Interested Participants with a volume discount on future services if the County meets or exceeds specified revenue thresholds; and be it further

RESOLVED, that under IT-1376, Lightpath will agree to invest in the County's network infrastructure to update network elements that support the County's mission critical applications as part of the building of a 'Next Generation Data Network' for the County; and be it further

RESOLVED, that this agreement is subject to County appropriations; and be it further

RESOLVED, that this agreement is also subject to further financial analysis of the impact of any New York State Budget (the "State Budget") proposed and adopted during the term of this agreement. The County shall retain the right, upon the occurrence of any release by the Governor of a proposed State Budget and/or the adoption of a State Budget or any amendments thereto, and for a reasonable period of time after such release(s) or adoption(s), to conduct an analysis of the impacts of any such State Budget on County finances. After such analysis, the County shall retain the right to either terminate this agreement or to renegotiate the amounts and rates approved herein. If the County subsequently offers to pay a reduced amount to the Contractor, then the Contractor shall have the right to terminate this agreement upon reasonable prior written notice; and be it further

RESOLVED, that the County Executive or his duly authorized designee is hereby authorized to execute and deliver any and all documents and to take all action necessary and appropriate to effectuate the purposes hereof.

Contract No. **IT-1376**
 Accounts to be charged:

Year	Fund	Dept	Major Program, Program & Phase Or Unit	Object/ Sub-Object	Trust Account	Dollars
2016	101	16	6000	4070		\$117,000
2016	101	16	6000	4160		\$1,166,000
2016	101	16	6000	4140		\$2,305,000
2016			Various County	Departments		\$250,000
2017	101	16	6000	4070		\$83,000
2017	101	16	6000	4160		\$966,737
2017	101	16	6000	4140		\$2,256,473
2017			Various County	Departments		\$250,000
2018	101	16	6000	4160		\$827,737
2018	101	16	6000	4140		\$2,278,705
2018			Various County	Departments		\$250,000
2019	101	16	6000	4160		\$838,925
2019	101	16	6000	4140		\$2,301,082
2019			Various County	Departments		\$250,000
2020	101	16	6000	4160		\$850,225
2020	101	16	6000	4140		\$2,323,682
2020			Various County	Departments		\$250,000

Budget Funding Year(s): 2016-2020 Start Date: January 1, 2016 End Date: December 31, 2020
 (must match resolution)

Funding Source Tax Dollars: \$17,564,566
 State Aid: _____
\$17,564,566 Federal Aid: _____
 (must match resolution) Other: _____