



**STATE OF NEW JERSEY  
OFFICE OF THE STATE COMPTROLLER**

**OFFICE OF INFORMATION TECHNOLOGY**

**BILLING AND CONTRACTING FOR  
TELECOMMUNICATIONS SERVICES**

**A. Matthew Boxer  
COMPTROLLER**

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# TABLE OF CONTENTS



<b>Background .....</b>	<b>1</b>
<b>Audit Objectives, Scope and Methodology .....</b>	<b>2</b>
<b>Summary of Audit Results.....</b>	<b>4</b>
<b>Audit Findings and Recommendations .....</b>	<b>6</b>
<b>Unused Telecommunications Lines.....</b>	<b>6</b>
<b>Assignment of Wireless Devices .....</b>	<b>10</b>
<b>Directory Assistance Costs.....</b>	<b>12</b>
<b>Telecommunications Procurements.....</b>	<b>13</b>
<b>Reporting Requirements.....</b>	<b>18</b>
<b>Auditee Response.....</b>	<b>Appendix A</b>

## BACKGROUND

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The New Jersey Office of Information Technology (OIT) serves as the central information technology (IT) organization for the State. As such, OIT is responsible for overseeing technology infrastructure for, and offers application development, consulting, network, security, web development, and telecommunications services for, the Executive Branch of State government. Pursuant to Executive Order #42 issued in 2006, OIT was granted the authority to streamline and reform IT operations statewide and was directed to increase efficiencies, improve services, and keep pace with modern technology. OIT's mission is to work closely with State agencies to provide consistent and responsive IT services.

OIT's responsibilities include all telecommunications billings for the Executive Branch of State government as well as the billing for land-based telephone lines for the Judicial and Legislative branches of government. In fiscal year (FY) 2009, the State expended over \$80 million on telecommunications services, including wireless and land-based telephone services as well as data lines. According to December 2009 billing information, there are over 100,000 land-based telephone lines used by the State. Moreover, according to OIT's database, as of September 30, 2009, there are approximately 19,000 wireless devices (e.g., cell phones, BlackBerry phones, and air cards) assigned to Executive Branch employees. There are also approximately 2,200 data lines installed throughout the State government, which are used to digitally transmit information across the State.

There are currently four vendors that are under contract to provide wireless devices and services to State government: Verizon Wireless, Sprint/Nextel, AT&T Mobility, and USA Mobility Wireless. In addition, there are currently two vendors that provide land-based telephone service and data service: Verizon and AT&T.

Most State departments designate one of their employees to act as a telephone coordinator and manage their respective telecommunications services.

## AUDIT OBJECTIVES, SCOPE AND METHODOLOGY

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The objectives of our audit were to evaluate the effectiveness of OIT's internal controls concerning the utilization of and billing for land-based, wireless, and data telecommunications lines for the period July 1, 2008 through May 25, 2010. We also reviewed the process used to award and extend four contracts covering multiple providers of telecommunications services. Specifically, we evaluated:

1. usage and expense reports concerning land-based and wireless telecommunications lines;
2. inventory and expense reports for data lines;
3. the existence of documentation justifying the need for the issuance of wireless devices; and
4. State contracts related to the provision of telecommunications services.

This audit was performed in accordance with the State Comptroller's authority set forth in N.J.S.A. 52:15C-1 et seq. We conducted our audit in accordance with generally accepted government auditing standards applicable to performance audits. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

As part of our audit procedures, we reviewed applicable statutes, administrative code provisions, State circular letters, OIT policies and procedures, and wireless policies and procedures for every State department. We also interviewed OIT personnel to obtain an understanding of their job responsibilities and system of internal control.

We used data obtained directly through Verizon Wireless' Internet Billing Analysis System (IBAS) for the monthly billing periods August 2008 through March 2010 to identify the amount of usage and related expenses for wireless services provided to State government. To identify the amount of usage and related expenses for land-based and data service lines, we obtained data directly through Verizon's online billing Enterprise Center for the monthly billing periods January 2009 through March 2010.

We also evaluated expenses related to services such as directory assistance (e.g., 4-1-1) and toll calls concerning 900 numbers and international calling. Our review of the charges associated with using 900 numbers did not reveal any significant exceptions from a fiscal standpoint. We identified charges of approximately \$230,000 associated with approximately 25,000 international calls during FY 2009 billing periods. However, because we were unable to identify precisely who made those calls, we could not determine the nature and propriety of such calls. We have asked OIT to work with State departments to develop a system to review international calls and validate their business purpose.

## SUMMARY OF AUDIT RESULTS

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Our audit identified millions of State dollars being wasted annually on land-based telephone lines, wireless telephone lines, and directory assistance services that are not needed and are not being used. Eliminating these lines and services would save the State nearly \$3.5 million annually. Specifically, we found:

- Over 18,000 land-based telephone lines that could be eliminated, saving the State over \$2.8 million annually;
- Nearly 1,400 wireless lines that could be eliminated, saving the State \$412,000 annually; and
- More than \$250,000 in unreasonable costs incurred to call directory assistance during a one-year period. Such assistance is available free of charge over the internet or via several toll-free 800 numbers.

We also identified a one-time savings of more than \$40,000 for data service lines that had been disconnected but were still being billed.

In addition, pursuant to a State Circular Letter, assignment of wireless devices to State employees must be based upon the need to have constant communication, and the benefit must justify the cost. We found that many departments were not maintaining documentation to justify their assignment of such devices.

Further, the State has not promoted competition in its procurement of telecommunications goods and services, resulting in a lack of assurance that it is obtaining the lowest price available.

We make 10 recommendations to eliminate the costs associated with unused and unnecessary telecommunications lines, devices, and services, and to address

deficiencies in the State's procurement of telecommunications goods and services.

# AUDIT FINDINGS AND RECOMMENDATIONS

## **Unused Telecommunications Lines**

*State departments are wasting millions of dollars annually on land-based and wireless telephone lines that are not needed, and the State continues to pay for data service lines even after such lines have been disconnected.*

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### Land-Based Telephone Lines

According to OIT officials, State departments are responsible for disconnecting unused or unnecessary land-based telephone lines by directly contacting the vendor. Subsequent to contacting the vendor, departments are required to provide OIT with notification of the land-based telephone lines that have been disconnected.

We found that departments are not appropriately ensuring that land-based telephone lines that are no longer in use or no longer needed are being disconnected. Specifically, we reviewed monthly usage reports for the 12 monthly billing periods ending December 2009. Our review revealed that 38,478 land-based State telephone lines showed no outgoing usage for at least the last 3 months of the period. We provided the listing of these 38,478 land-based telephone lines to the responsible departments and requested that they review each line and provide us with a justification indicating if the lines need to be kept in service. According to the responses we received from the departments, 18,265 of those land-based telephone lines were, in fact, no longer needed.

As a result of our audit, these lines have been either suspended for 30 days or disconnected. (Lines are suspended before being disconnected to ensure that the lines were not improperly assigned to another department which may require the lines to remain active.)

The State expended over \$2.7 million during the 12 monthly billing periods ending December 2009 to maintain the 18,265 land-based telephone lines that the departments stated are not needed. We estimate that the State will realize over \$2.8 million in annualized cost savings resulting from the disconnection of these lines.

### Wireless Telephone Lines

State departments are also responsible for disconnecting unused or unnecessary wireless telephone lines. This is accomplished through submitting a Cellular Telephone Request form to OIT. We found that departments are not taking action to disconnect wireless lines that are no longer in use or are not needed. As a result, every month the State expends tens of thousands of dollars on wireless lines that have gone unused for months and are no longer needed by the departments.

For example, in one instance, we found that the State continued paying for the wireless line of a former employee for almost six years after the employee's June 2004 resignation. In response to our inquiries about the status of this wireless line, it was disconnected on March 29, 2010.

We reviewed monthly usage reports for the 16 monthly billing periods ending November 2009. We found that 2,116 wireless lines showed no usage for at least the last 3 months of the period. The zero-usage lines we identified were submitted to the responsible departments with instructions to provide us with a justification indicating whether the lines need to be kept in service. In response, the departments informed us that 1,394 of those wireless lines were no longer needed. As a result of our inquiries, these 1,394 lines were disconnected by OIT.

The State expended over \$488,000 during the 16 monthly billing periods reviewed for the wireless lines that the departments identified as no longer

needed. We estimate that the State will realize over \$412,000 in annualized cost savings from the disconnection of these lines.

### Data Lines

OIT does not have policies or procedures that require its employees to actively monitor the disconnection or the transfer of a data line. OIT does, however, maintain an inventory database which it uses to identify and track data lines in the State government. We found that OIT's data-line unit does not communicate with its billing unit to ensure that the State is not billed for data lines beyond the disconnection date. We determined specifically that Verizon owes the State \$43,183 for lines that were disconnected in 2008 and 2009 but continued to be billed.

We also found that the disconnect dates contained in OIT's database were inaccurate for 42 of 122 disconnected data lines. In three instances, a disconnection date was entered into OIT's inventory system for a data line, but the actual request to process the disconnection and thereby terminate the billing was not sent to Verizon until months or years later. Consequently, the State incurred unnecessary expenses of \$18,701 related to the three data lines. These expenses are no longer recoverable due to OIT's failure to submit a timely request to Verizon to terminate the billing for these lines.

### **Recommendations**

1. Periodically review usage reports generated through Verizon's Enterprise Center and require the departments' telephone coordinators to justify the continued need for land-based telephone lines that are not being used.
2. Periodically review zero-usage reports generated through Verizon Wireless' IBAS and require the departments' telephone coordinators to justify the continued need for wireless lines that are not being used.

3. Ensure that requests to terminate billing for disconnected data lines are submitted on a timely basis, and facilitate communication between OIT's data-line unit and its billing unit to ensure that the State is not billed for data lines beyond the disconnection date.

## Assignment of Wireless Devices

*State departments are not maintaining documentation to justify their need to assign wireless devices to employees. As a result, there is no assurance that wireless devices are being assigned in accordance with State policy.*

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Pursuant to a State Circular Letter<sup>1</sup>, each department is responsible for establishing its own internal policies and guidelines for the use of wireless devices by its employees. According to the Circular Letter, individual wireless device assignments must be based upon the need to have constant communication, and the benefit must justify the cost. Although the Circular Letter is unclear as to exactly how the justification for a wireless device should be documented, it does require each department to maintain “appropriate records” of all requests which should include, but not be limited to, the service plan and device type, and the name of the employee who has been assigned the device.

We found that the vague reference to “appropriate records” contained in the Circular Letter, as well as the absence of a uniform policy requiring departments to document the justification for the assignment of a wireless device, has resulted in significant variation in the method and extent of recordkeeping by the departments. While most departments require some type of written justification, two departments do not have any written policies or procedures addressing the assignment of wireless devices.

To determine if departments were maintaining written justifications concerning the assignment of wireless devices, we randomly selected 518 such devices. We found that 426, or approximately 82 percent, did not have documentation to justify the assignment of those devices.

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<sup>1</sup> Department of Treasury, Circular Letter No. 04-06-OIT, *Assignment and Use of Cellular Wireless Devices*.

We note that assignment of wireless devices has reached a point where approximately 19,000 such devices have been assigned to Executive Branch employees. It is important that departments properly justify and document the assignment of wireless devices to ensure that taxpayers are not bearing the expense of unnecessary assignments.

**Recommendation**

4. Develop a uniform policy concerning the issuance of wireless devices which requires all departments to assess and document the cost and the benefit of assigning the device.

## **Directory Assistance Costs**

*State employees are using toll services to obtain directory assistance, thereby incurring hundreds of thousands of dollars in unnecessary charges.*

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Our review of directory assistance costs revealed that the State expended over \$250,000 for directory assistance during the FY 2009 billing cycle. Periodically, OIT provides all State departments with directives concerning the use of directory assistance. For example, in October 2009, employees were instructed to use exclusively a directory assistance number which would enable the State to incur a reduced cost of 70 cents per call. Comparatively, higher costs are assessed when employees use other directory assistance numbers (e.g., 4-1-1, 555-1212). In addition, the OIT directive included a list of free websites which employees could use to obtain the directory information sought.

Although the directory assistance number provided by OIT would lead to a reduced cost compared to other directory assistance numbers, even those reduced charges seem unreasonable given the pervasiveness of computers which enable employees to look up phone numbers over the internet for free. In addition, free directory assistance phone services (e.g., 1-800-THE-INFO and 1-800-YELLOWPAGES) are offered by a number of providers for business contact information. One such service (i.e., 1-800-FREE-411) also provides free directory assistance for residential information.

### **Recommendations**

5. Provide employees with information about free directory assistance services and direct that those services be routinely used.
6. If technologically feasible, block calls to directory assistance numbers that are not providing these services for free.

## **Telecommunications Procurements**

*The State has not promoted competition in its procurement of telecommunications goods and services, relying instead on improper contract extensions and waivers from bidding.*

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The Department of the Treasury, Division of Purchase and Property (DPP) procures goods and services on behalf of most State departments and agencies, including OIT. New Jersey State procurement law, N.J.S.A. 52:34-6 et seq., emphasizes competitive procurement practices as a means to ensure that the State is obtaining goods and services at the best possible price. For example, N.J.S.A. 52:34-6 to -10 generally require advertising for bids or proposals when awarding contracts. We therefore reviewed the procurement practices associated with some of the telecommunications services discussed in this report.

In this regard, we reviewed substantial documentation provided by DPP, including, among other things, advertisements, requests for proposals or bids, vendor submissions, contracts, contract amendments and extensions, internal memoranda and waiver packages. We also interviewed three OIT contract managers working on these contracts as well as the OIT telecommunications manager. We also obtained the views of DPP's Acting Director and Acting Assistant Director at the audit exit conference.

Our review found that several State telecommunications contracts were extended, some for more than a decade, without appropriate assurance that the State was obtaining the goods and services at the best price. Separately, OIT and DPP obtained waivers from competitive bidding by incorrectly labeling certain telecommunications services as being available from only one source.

### *Contract Extensions*

We reviewed four State telecommunications contracts covering the following goods and services: (1) toll-calling voice services; (2) toll-free voice telephone

services; (3) telecommunications data services; and (4) telecommunications wired equipment. State procurement law requires departments and agencies to procure such goods and services through competitive bidding.

Documents provided by DPP establish that each of these four contracts was originally awarded to the current vendors between 10 and 15 years ago and was awarded pursuant to a competitive process at that time. Each of these contracts had an initial contract term between one and three years and included State-held options to extend the contracts for an additional one to two years. Accordingly, all of the contracts should have expired, at the latest, after five years. However, OIT and DPP thereafter extended each of the four contracts between 7 and 22 times without statutory authority.

For example, the timeline on the following page sets forth the history of extensions for the State's toll-free voice telephone services contract. This contract was initially awarded for a three-year term with two, one-year option periods.

<b>Extensions to Toll-Free Voice Telephone Services Contract</b>			
<b>Extension</b>	<b>Start Date</b>	<b>End Date</b>	<b>Length in Months</b>
1 <sup>st</sup> (option period)	1/15/1998	1/14/1999	12
2 <sup>nd</sup> (option period)	1/15/1999	1/14/2000	12
3 <sup>rd</sup>	1/15/2000	9/30/2001	20.5
4 <sup>th</sup>	10/1/2001	3/31/2002	6
5 <sup>th</sup>	4/1/2002	4/30/2002	1
6 <sup>th</sup>	5/1/2002	5/31/2002	1
7 <sup>th</sup>	6/1/2002	11/30/2003	18
8 <sup>th</sup>	12/1/2003	3/31/2004	4
9 <sup>th</sup>	4/1/2004	7/31/2004	4
10 <sup>th</sup>	8/1/2004	1/31/2005	6
11 <sup>th</sup>	2/1/2005	1/31/2006	12
12 <sup>th</sup>	2/1/2006	7/31/2006	6
13 <sup>th</sup>	8/1/2006	12/31/2006	5
14 <sup>th</sup>	1/1/2007	6/30/2007	6
15 <sup>th</sup>	7/1/2007	10/31/2007	4
16 <sup>th</sup>	11/1/2007	2/29/2008	4
17 <sup>th</sup>	3/1/2008	3/31/2008	1
18 <sup>th</sup>	4/1/2008	4/30/2008	1
19 <sup>th</sup>	5/1/2008	5/31/2008	1
20 <sup>th</sup>	6/1/2008	6/30/2008	1
21 <sup>st</sup>	7/1/2008	7/31/2008	1
22 <sup>nd</sup>	8/1/2008	8/31/2008	1
23 <sup>rd</sup>	9/1/2008	10/31/2008	2
24 <sup>th</sup>	11/01/2008	10/31/2011	36

As shown, OIT and DPP extended this contract for more than 11 years beyond its original contract term and option periods. In doing so, they effectively entered into a no-bid contract with each extension, contrary to the State's procurement law.

In one of the more egregious cases from an expenditure standpoint, the State paid two vendors, both part of the same contract, a total of \$164.6 million over the course of six years of extensions.

The State's practice of extending telecommunications contracts for multiple years beyond the contracts' terms has prevented fair vendor competition. Because competitive vendor selection processes have not been used in these contracts for over a decade, the State and the public lack assurance that the State is receiving these services at the best possible prices.

### Waivers from Bidding

There are specifically defined and limited statutory exceptions to competitive bidding requirements. Pursuant to a State Circular Letter<sup>2</sup>, departments and agencies must seek approval from DPP through a waiver process in order to exclude a procurement from bidding. Specifically, a department or agency seeking a waiver must submit to DPP, among other things, documentation that concisely describes the purpose of and justification for the waiver. The Attorney General's Office ensures the legal basis has been met for the waiver, and the State Treasurer or his or her designee approves the waiver.

As part of this report, we also reviewed several State telecommunications contracts that were awarded without competition pursuant to approved waivers. These contracts concerned the following services: (1) service for the State's internal telephone system and related services; (2) pay phone service; and (3) advertising services for printing in the Yellow Pages. As part of our review, we sought the operative contract documents for these services. After making numerous requests for these documents, OIT and DPP advised us that they were unable to find all of the operative contract documents. As reflected in waivers executed since 2001, the estimated cost of the contracts collectively ranged from \$35 to \$45 million annually. We find it extremely troubling from both an administrative and legal standpoint that neither OIT nor DPP was able to produce complete contract documents related to an annual expenditure of taxpayer funds of this magnitude.

We reviewed specifically the waiver and supporting documentation for these three contracts for FY 2010. The waiver authorized the award of the contracts for these services in the total amount of \$38.7 million. OIT's stated justification for the waiver was that some of the vendors are regulated by the State or federal governments and that the services are available from only a single source. However, OIT's "regulated industry" justification is inconsistent with the federal Telecommunications Act of 1996, Pub. L. No. 104-104, which opened

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<sup>2</sup> Department of Treasury, Circular Letter No. 09-11-DPP, *Requests for Waivers of Advertising*.

up competition for vendors to provide telephone services. As a result of that open competition and advances in technology, OIT's assertion that these services are available from only one source is not adequately supported. An OIT contract manager noted to us the existence of other possible vendors, as corroborated by our own independent inquiries. In a meeting following the audit exit conference, OIT admitted that more than one vendor is capable of providing these services to the State.

At the audit exit conference, OIT claimed that, in some cases, the State negotiated a cost reduction through obtaining a waiver instead of using a competitive procurement process. Further, both OIT and DPP contended that changing vendors on the internal telephone system contract would require replacement of infrastructure at substantial cost. However, neither agency provided any documents or studies to support this contention. In any event, this contention would not conclusively establish the service as a sole source for legal purposes.

### **Recommendations**

7. End the practice of routinely extending telecommunications contracts beyond the terms provided for in those contracts.
8. Absent appropriate legal justification, prepare and issue requests for proposals to commence competitive processes to procure telecommunications services and supplies.
9. Maintain pertinent records concerning all ongoing telecommunications contracts.
10. Review all Waivers of Advertising for telecommunications contracts to ensure that the sole source exception or other statutory exceptions are not being misused.

## REPORTING REQUIREMENTS

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We provided a draft copy of this report to OIT and DPP officials for their review and comment. The formal response we received was considered in preparing this final report and is attached as Appendix A.

In its response, OIT pointed out some of the initiatives it has taken since 2007 to reduce telecommunications billings. OIT stated, however, that unless the departments notify them to disconnect a line, the State continues to incur the cost of that line. Accordingly, OIT said it would revisit its policies to provide clarity and guidance to the departments on their responsibilities as user agencies.

With regards to the telecommunications services contracts, OIT broadly states that it, along with DPP, have attempted to competitively contract for these services. Concerning one such occasion, OIT stated that the bids were “thrown out.” Despite our requests for pertinent documentation, they were unable to provide any.

Finally, OIT asserts that after the audit exit conference, it provided this Office with records concerning contracts between the State and two vendors, AT&T and Verizon. However, OIT has still yet to provide the full set of operative contract documents for these services.

OIT and DPP have indicated that they are exploring alternatives to the current contracting processes to secure telecommunications services.

The Office of the State Comptroller is required by statute to monitor the implementation of our recommendations. To meet this requirement, OIT shall report periodically to this Office advising what steps have been taken to implement the recommendations contained herein.



State of New Jersey

Office of Information Technology  
P.O. Box 212  
Trenton, New Jersey 08625-0212

CHRIS CHRISTIE  
*Governor*

KIM GUADAGNO  
*Lt. Governor*

ADEL W. EBEID  
*Chief Technology Officer*

June 21, 2010

A. Matthew Boxer  
State Comptroller  
Office of the State Comptroller  
P.O. Box 024  
Trenton, New Jersey 08625-0024

Dear Mr. Boxer:

Thank you for providing the Office of Information Technology (OIT) an opportunity to respond to your audit of the Billing and Contracting for Telecommunications Services dated June 2010.

The report touched on two separate yet related processes: 1) Telecommunications Billing Process, and 2) Telecommunications Contracting Process. While, in our opinion, the report demonstrates a lack of understanding on how either of the telecommunications processes work, we do plan to revisit our policies and business practices to clarify our stewardship role and provide clarity and guidance to state departments with respect to their responsibility as using agencies.

Thank you for your efforts to help improve the telecommunications billing and contracting processes. Our detailed response is contained in the letter. Should you have any follow-up questions, please don't hesitate to contact my office at (609) 984-4082.

**1) Telecommunications Billing Process**

The telecommunications billing process is a complex and labor intensive process that spans across multiple agencies and telecommunication providers. Your report correctly acknowledged that departments are not appropriately ensuring that land-based telephone lines that are no longer in use or no longer needed are being disconnected. Unfortunately, we have no way of knowing which agency personnel are being hired, transferred, or terminated which is why the current policy places the notification responsibility with the individual designated by an agency to coordinate and manage their respective telecommunications services. Unless OIT received a notification to disconnect a telephone line, the State will continue to incur a monthly fee for that telephone line.

Beginning with FY-2007, several communications were sent to agencies asking them to terminate any unused telephone lines as an easy and quick way to reduce their operating expenses and meet their

targeted reductions. OIT in coordination with Department of Treasury and OMB have also recommended that agencies develop a "One Device per Person" policy to keep telecommunications costs down. Finally, the State Treasurer circulated a memorandum on two occasions that instructed agencies to cease the use of 411.

With respect to the three recommendations made on pages 8 to 9, OIT has or will take the following actions:

- will revise the current Telephone Policy to include some of the recommendations
- will generate periodic reports on zero-usage to ensure agency compliance
- contacted Verizon on June 4<sup>th</sup> and asked them to block 411 from state issued telephone numbers.

In addition, OIT would like to offer for consideration that HR become involved in the issuance of the telephone disconnect notification. In every agency, it is the HR organization that is aware of who is leaving and could add the phone disconnect order to the myriad other checklist items that they handle when an employee is terminated.

## **2) Telecommunications Contracting Process**

Since OIT does not have procurement authority/powers vested in its charter, I will yield to the Division of Purchase and Property (DPP) for a response to the second item. But because OIT and DPP work cooperatively on all IT related contracts including telecommunications, we want to make the following comments on the contracting process:

- The statement that the State has not promoted competition in its procurement of telecommunications goods and services is inaccurate. DPP and OIT have attempted to compete telecommunications contracts on several occasions as recently as May 2009. Unfortunately, the bids were thrown out by DPP after a lengthy question and answer process with the venter community. Contract extensions were sought only after significant discounts were negotiated from the two incumbents, AT&T and Verizon. These discounts were booked by OMB starting with FY-2008 and will continue until FY-2012. Today, the State pays in excess of \$12M less in telecommunications services as compared to FY-2007. These negotiation sessions, at the time, took place over a period of 4 to 6 months and where appropriate included representatives from the Department of Treasury, DPP, OMB, and AG's Office. We would not have processed a contract extension unless all parties to the extension were in full agreement that a contract extension was in the best interest of the State and ultimately the taxpayers.
- On page 16, the report references a statement by an OIT contract manager which indicates that other vendors exist who could provide some of these services. While this statement is true in its purest sense, it does not include the additional information that was provided that takes into consideration the operational, financial and work impacts that would result as part of the migration from the existing vendors to a new vendor. In addition, when these initial agreements and several of the extensions were executed other vendor options did not exist.
- While it is true that the Telecommunications Act of 1996 opened up competition for telecommunication services, it has had limited effect for legacy analog based Centrex Operations. We are unable to take advantage of the competitive opportunities unless we modernize our entire infrastructure into an IP based network. As we modernize the Garden State Network and increase its capacity, we will be able to transport voice and data on a shared network

- Contract records were provided after the audit exit conference for both Verizon and AT&T contracts.
- Working with DPP, OIT has been investigating the use of cooperative contracts with NY and PA. Both contracts are multi service, multi product contracts. The NY State contract appears to offer services currently covered by several of the NJ contracts, but more research needs to be done before a decision can be made. A comparison of the pricing for data services using the current NJ contract pricing versus the New York State cooperative pricing shows that the NJ contract yields \$6.5M annually in savings over the NY pricing. In addition, there are significant operational issues that must be addressed when a new contract is implemented. Dealing with changing billing platforms requires extensive record order changes in the best case to memorialize the new billing arrangements. Never the less, we will continue to pursue the alternatives of an RFP or a cooperative contract in replacing the current telecommunication contracts in the state.

Adel Ebeid  
Chief Technology Officer  
Office of Information Technology