

VITA's INSTRUCTIONS FOR REVIEWING AND IMPLEMENTING TANGOE INC.'s RECOMMENDATIONS FOR CoVA WIRELESS SERVICE COST SAVINGS

~~7/30/11~~ **8/16/11 Changes in red (pp. 2, 5, 6, 8-9)**

These instructions cover VITA wireless customer locality and state agency review, approval, and implementation of Tangoe-recommended wireless changes and, for state agencies, fulfillment of the associated Comprehensive Information Technology Assessments (CITA) savings reporting requirement for mobile telecommunications. Even though customers may be doing an effective job of managing their wireless expenses using the available online tools they should see additional savings opportunities from the Tangoe audit's greater depth and breadth. Additional background information on the CoVA Wireless Audit project may be found at: <http://www.vita.virginia.gov/councils/default.aspx?id=12542>.

A. REVIEW & APPROVAL OF TANGOE'S RECOMMENDATIONS

1. **Get the report into the proper hands:** Tangoe's Wireless Audit Findings (a spreadsheet containing results and recommendations) and these instructions are being sent to VITA wireless customer Agency IT Resources (AITRs), and customer telecommunications coordinators. Recipients should forward the findings to or involve any additional staff responsible for approving and implementing telecommunications service changes, and, for state agencies, staff in charge of CITA reporting.
2. **Decide if you wish to meet with Tangoe:** Tangoe staff are available over the next few weeks to meet with customers via teleconference (M-F, 8:00—5:00) to review the recommendations and answer specific questions. Customers should decide as soon as possible if they wish to have such a meeting. To schedule a meeting, send an e-mail to both of the following Tangoe staff:

To: Michael.Niziolek@Tangoe.com

Cc: Eric.Weitz@Tangoe.com

3. **Do a general look-over of the report (spreadsheet):**
 - VITA recommends saving the Audit Finding report so that customers can have a working copy without risking any loss of information.
 - Look over both the "informational" and the "actionable" worksheets.
 - Make sure the information is *comprehensive* (especially for customers having multiple accounts or being billed for different organizational sub-units or activities).
 - Check to make sure that it is *exclusive* – that it includes only the information pertinent to your locality or agency. (If any information needs to be added or dropped to make the results both comprehensive and exclusive, contact Tangoe to arrange for a revised report).
 - Make adjustments for any *changes in wireless service that you may have made since May, 2011* (when Tangoe made its last comparison to the VITA wireless inventory), as these will not be reflected in the Tangoe report.

- You may wish to also review the current cellular contract rates, available on the VITA website: <http://www.vita.virginia.gov/procurement/contractBrowse.cfm?qscat=1000028> (Alternatively, you may find this site by going to the VITA website, and, at the top of the page, clicking on “Statewide Contracts”, and then, on the right side of the page, near the bottom, under “Telecommunications – Wireless”, select “Cellular/PCS/Blackberry”).
 - Either do a “Comparison Pricing of All Contract Carriers” to shop, or select the specific contract you wish to view.
 - If selecting a specific carrier, then to see Plans and Pricing, click on “What is the Current Contract Pricing” and enter your Zip Code when asked. The resulting page is a list of the available rate plans and add-on features along with end-user pricing for that carrier.

4. **Begin your analysis with the “Zero Use” worksheet tab.** (Any devices that you decide to terminate will then not need to be part of the next step’s optimization review).

- a) Decide if any or all of the devices showing zero usage during the three-month audit period (January-March, 2011) can be discontinued. In general, VITA recommends starting from a working presumption that all such devices are unnecessary, and then making exceptions. Ultimately, however, the decision rests with the customer. Valid reasons to continue paying for zero-usage devices may include:
- Emergency phones (including phones designated for Continuity of Operations Plans (COOP)/disaster recovery efforts, or needed as backups to ensure public and staff health and safety).
 - Phones used by seasonal staff which the customer finds it to be cost-effective to keep on-hand all year-round.

If the customer has any doubt about removing a device, Tangoe recommends arranging to suspend it for a short period (usually, two weeks), and then terminating it if no reactivation requests are received.

- b) When you have made a decision that it is appropriate to terminate a zero-use device, locate the green-shaded “Agency Decision” column to the far right.

Agency Decision (Enter Log #)

Enter in the appropriate cell(s) of that column the same Log Number that your agency will be assigning to the *Telecommunications Service Request* (TSR) that you will be preparing to request the change in service. Do this for each recommendation that you accept. **By entering in a Log Number you indicate that you are accepting Tangoe’s recommendation to terminate the device.** (If you do not wish at this time to adopt one of Tangoe’s recommendations, simply leave blank that cell in the “Agency Decision” column).

An example is provided below.

- The choice of a Log Number is up to the customer.
- You will need to use a separate TSR with a unique Log Number for each of the different wireless carriers (i.e., Verizon Wireless, AT&T Mobility, Sprint-Nextel, US Cellular, nTelos Wireless) for which you have changes. (Most customers use only one or two of the five wireless carriers. However, if a customer used all five carriers and had changes for each, then they would submit five TSRs, one for each carrier, each referencing the master spreadsheet containing Log Number references for the changes pertaining to that carrier and matching that TSR's Log Number).
- For a given carrier, use the same Log Number for all of the changes you make at that one time (i.e., if you have ten changes for Verizon, all ten cells in the spreadsheet should use the same Log Number that will be assigned to the single Verizon TSR pertaining to those ten changes).
- The intent of the audit is to enable customers to make as many wireless service changes as possible in a single endeavor, in order to obtain the highest level of savings as soon as possible. However, we recognize that it may not be possible make decisions on all of the recommendations at the same time. Should you decide later on to implement additional recommendations, for those new changes you will need a new TSR with a new Log Number for each carrier that will be impacted, and you will need to re-submit the spreadsheet marked with the new Log Number(s) for the lines that will be affected.

Verizon Wireless Zero Use						Agency Decision (Enter Log #)
Mobile Number	Current Plan	Monthly Total Charge	Lowest Monthly Primary	Feature Cost		
	VZALINE,BASIC	\$ 9.61	\$ 9.61	\$ -		110803VZ
	VZALINE,COV200	\$ 19.80	\$ 9.61	\$ -		110803VZ
	VZALINE,COV200	\$ 19.80	\$ 9.61	\$ -		110803VZ
	VZALINE,SCP500	\$ 67.59	\$ 9.61	\$ 38.61		

Sprint Zero Use						Agency Decision (Enter Log #)
Mobile Number	Current Plan	Monthly Total Charge	Lowest Monthly Primary	Feature Cost		
	SPWLINE,IADDAPH	\$ 73.15	\$ 8.73	#N/A		
	SPWAIRCD,CUNLTD	\$ 47.67	\$ 46.52	\$ 1.15		110804SP
	SPWLINE,IADDAPH	\$ 57.85	\$ 8.73	#N/A		

Same Log # for each change submitted on a single TSR.

Use a different TSR (with a different Log #) for each wireless carrier (here, one for Verizon, and one for Sprint)

When you are done reviewing and approving the recommendations relating to zero-use devices, and the appropriate Log Number has been entered for each change, proceed to the optimization review.

5. **Review for optimization (lowest-price plan) changes:** After completing the review of zero-use devices to determine which lines may be terminated, for all phones and devices that will be retained customers should seek to implement the best (lowest-cost) calling plan. Tangoe's optimization recommendations are presented in each of the other "actionable" worksheets (they contain

“optimization” or “opt” in the worksheet tab title). VITA recommends that customers implement Tangoe’s proposed optimization changes unless there is a compelling reason to not do so.

Tangoe’s line recommendations are based on continued use of the current carrier and retention of the current calling plan add-on features, unless analysis indicates that the feature is not being used or would effectively be duplicated under the recommended plan.

- Tangoe’s recommendations may involve either increasing the number of minutes (for phones with high overage charges, where a higher-minutes plan would still represent a savings vs. the overage charges); or lowering the number of minutes (for phones showing usage levels consistent with a reduced-minutes plan).
- Tangoe’s analysis reflects current state wireless contract rates.
- Tangoe’s comparison includes the different types of plans (regional and national, etc.) offered by a carrier, as well as options for achieving savings by pooling minutes (where available) within an established billing center (organizational unit or activity). Note that, in pooling, it is possible that some individual phones may show an increase in cost, even though the total cost of phones in the proposed pool would decline.

a) Special note regarding organization-wide pooling: Tangoe has indicated to VITA that substantial additional savings may be available to customers with multiple billing centers (organizational units or activities), by making greater use of pooling at the highest-possible organizational level. For example, a university customer currently being billed separately for different campuses or schools might be able to achieve greater savings from pooling across the entire institution. Options for pooling across billing centers have *not* been included in the Audit Findings, but Tangoe is available to discuss them if requested. Although there may be legitimate reasons for not pooling across an entire organization (such as a need to avoid co-mingling funds from different funding sources), VITA urges customers to consider whether multiple billing centers are needed and/or whether there may be other options for allocating and tracking costs that would still allow for wider use of pooling.

b) When a decision has been made to accept one of Tangoe’s optimization recommendations, use the same process that was employed for zero-use devices: Locate the green-shaded “Agency Decision” column to the far right. Enter in that column the same Log Number that your agency will be assigning to the *Telecommunications Service Request* (TSR) that you will be preparing to request the change in service. **By entering in a Log Number you are indicating that you are accepting Tangoe’s recommendation to optimize the device.**

- The choice of a Log Number is up to you.
- You will need to use a separate TSR with a separate Log Number for each of the different wireless carriers for which you have changes.
- For a given carrier, use the same Log Number for all of the changes (zero-use and optimization-related) that you make at that one time (i.e., if you have ten changes for

Verizon, all ten cells in the spreadsheet should use the same Log Number that will be assigned to the single Verizon TSR pertaining to those ten changes).

- o The intent of the audit is to enable customers to make as many wireless service changes as possible in a single endeavor, in order to obtain the highest level of savings as soon as possible. However, we recognize that it may not be possible make decisions on all of the recommendations at the same time. Should you decide later on to implement additional recommendations, for those new changes you will need a new TSR with a new Log Number, and you will need to re-submit the spreadsheet marked with the new Log Number for the lines that will be affected.

Important Note Regarding Recommendations to Switch From Pooled Voice Plans Stand Alone Voice Plans.

Please be aware of the following: In making the switch to Stand-alone Voice Plans, the savings for some users may be negative (because in a pooled environment higher-volume users are subsidized by lower-volume users). However, where Tangoe recommends such a rate plan change it is because the *overall* savings on a customer's account will be greater with everyone on Stand Alone Voice Plans, despite some individual lines incurring a greater cost.

Note that, **if you choose to accept Tangoe's recommendation to switch from Pooled Voice Plans to Stand Alone Voice Plans, then ALL users currently on that Pooled Voice Plan MUST be changed to Stand-Alone Voice Plans**, even if they show a negative savings on the Tangoe recommended Stand Alone Plan. A failure to switch all users off of Pooled Voice Plans can result in **excessive overage charges** for users left on Pooled Voice Plans. Customers should check to make sure that the spreadsheet's "Agency Decision" column is marked to indicate changes in each and every cell belonging to a line that is in the pool.

- c) When you have completed reviewing all of the optimization worksheets, and, on each of them, the appropriate Log Number has been entered for each change, you have completed your review of Tangoe's recommendations. We recommend saving the spreadsheet with a new name that indicates your organization (agency or locality) and the date. This will make it easier to match the spreadsheets with the proper accompanying TSR.
- d) If you have any questions, please contact Tangoe, Inc:

To: Michael.Niziolek@Tangoe.com

Cc: Eric.Weitz@Tangoe.com

6. **Review Other, Non-Tangoe-Related Wireless Device Deployments:**

The scope of Tangoe's audit is generally limited to a review of zero-use devices and optimization changes (from switching to lower-cost plans within the current carrier). However, customers are urged to also use this opportunity to examine how their other wireless devices are being used. For example, Tangoe's audit only addresses air cards (high speed wireless broadband cards that give users mobile Internet access on their laptops by using their cellular data service) in terms of whether

they are in use and/or whether or not they are optimized. However, these constitute a significant share of overall wireless expenditures, and customers may wish to review the deployment of all of their air cards to reduce the quantity of air cards and group them for check-out when needed rather than permanently allocate them to individuals.

- Any non-Tangoe-related changes should not be entered into the spreadsheet, and should use the regular TSR process (without the changes noted in section B, below). Such changes will not be subject to Tangoe's fee.
- Any FY 2012 savings are eligible to be counted in the CITA wireless savings (see section C, below). Agencies should assume the savings will begin 60 days after submission of the TSR.

B. REQUESTING CHANGES (SUBMITTING *TELECOMMUNICATION SERVICE REQUESTS* (TSRs))

To implement any of Tangoe's recommendations that are accepted by your agency or locality, you will need to submit the standard Telecommunications Service Request (TSR) form (one for each wireless carrier). The form is available here: <http://www.vita.virginia.gov/misforms/forms/TSRv2.cfm>.

1. On the TSR, form, enter the following:

- a) Add a unique Agency Log Number that matches the spreadsheet Log Number you used for that wireless carrier.
- b) In the "*Service Request as follows*" section:
 - Use the code "Tangoe" as the first word in the "*Service Request as follows*" section.
 - Add text that references the accompanying spreadsheet (preferably by including the name of the spreadsheet file), which will be a copy of the Audit Findings spreadsheet, with Log Number entries matching the TSR Log Number to indicate which recommendations you have accepted.
 - Identify the wireless carrier.
 - Indicate the type of work that is being requested. The TSR should always provide clear, detailed instructions as to what the agency desires be done (disconnects and plan changes).
 - It would be ideal if customers could also list the names of each of the worksheet tabs in which changes pertaining to this TSR are included. For instance, for "zero usage" changes the TSR could state something like: "See Zero usage tab on spreadsheet. Please disconnect."
 - If you are switching from a Pooled Voice Plan to Stand-alone Voice Plans, indicate this in the text box as well.

See an example, below.

Instructions to VITA/Telco Vendor

(Note: Changes to this Service Request Are Not Authorized.)

▶ Requested Due Date:

▶ Service Request As Follows:

SAMPLE

TANGOE. See the accompanying spreadsheet file [Youragencynamere]WirelessChanges20110829.xlsx. To: Verizon. For: Disconnects and plan changes. Note: Includes switches from Pooled Voice Plans to Stand-alone Voice Plans. (See the following spreadsheet worksheet tabs for details: Zero-Use, Verizon Opt).

2. **Submit the TSR** as you normally would.
3. **E-mail the Spreadsheet:** The same day that you submit the TSR(s), e-mail the spreadsheet corresponding to TSR(s) to the VITA Telecommunications Customer Service (TCS) mailbox: tcs@vita.virginia.gov. (You need only submit the spreadsheet once, even if it contains Log Numbers for two or more TSRs).
4. **If follow-up TSRs are needed:** The intent of the audit is to enable customers to make as many wireless service changes as possible in a single endeavor, in order to obtain the highest level of savings as soon as possible. However, we recognize that it may not be possible make decisions on all of the recommendations at the same time. If you later accept and decide to implement additional recommendations from Tangoe then you must submit another TSR with a new Log Number, and another copy of the spreadsheet marked with the new Log Number in the cells for the line-changes that you are now requesting.
5. **For any TSR-related questions:**
Please contact the Telecommunications Customer Service (TCS) staff:
Pamela Wood-Henry
Pamela.wood-henry@vita.virginia.gov
804-416-6938
Linda Brown
Linda.Brown@vita.virginia.gov
804-416-7214
Stephanie Johnson
Stephanie.Johnson@vita.virginia.gov
804-416-6395
You may also send questions to the TCS Mailbox: TCS@vita.virginia.gov

TCS will process the requests as soon as possible. You will receive a confirming copy of the VITA-generated Office of Government Telecommunication Services (OGTS) vendor service orders (i.e., VITA’s work orders to the wireless carrier), just as you normally would. Due to the anticipated large volume of changes, it may take up to 60 days for you to see changes on your bill.

C. WIRELESS-RELATED CITA REPORTING (STATE AGENCIES ONLY)

1. Complete CITA reporting by September 1.

State agencies are required to submit their Comprehensive IT Assessment (CITA) reports, including projected net FY 2012 IT savings, by September 1. Basic information and the *CITA Collaboration Document for CITA Reviews* template may be found on the [CITA Sharepoint site](http://www.vita.virginia.gov/councils/default.aspx?id=12542), as well as the Agency IT Resource (AITR) CITA website, at: <http://www.vita.virginia.gov/councils/default.aspx?id=12542>.

However, the online *CITA Report Survey* is the method to officially submit the information to VITA. Find the *CITA Report Survey* on the CITA SharePoint site at: <https://vashare.virginia.gov/sites/VITA3/CITA/Lists/CITASurveyReport/overview.aspx>.

2. Enter wireless savings information in the “Mobile Telecommunications (MT)” Section of the form.

FY 2012 projected net wireless savings (Tangoe-related and non-Tangoe related), should be entered in the *CITA Report Survey* space for CITA Task MT-1:

ASSESSMENT TASKS					
REVIEW AREA	TASK #	TASK DESCRIPTION	FINDINGS	MAJOR >5K NONRECUR OR >20K RECUR	SAVINGS OPPORTUNITIES 1-(RANGE: MOST LIKELY TO MAXIMUM, IN \$) 2-(RECURRING OR NON-RECURRING) 3-FACTORS LIMITING MAXIMUM SAVINGS
Mobile telecom- munications	MT-1	Assess and implement optimization and cost savings recommendations from statewide cellular audit.			Place FY 2012 Tangoe & Non-Tangoe projected wireless savings here
	MT-2	Convert wireless devices to VITA statewide contracts			

Enter the savings estimate in the “Savings Opportunities” space, and include a reference to the “CoVA Wireless Audit” in the response given in the “Findings” area. See the CITA SharePoint site for specific instructions.

Exception: If agencies must submit their CITA report prior to completing their Tangoe analysis:

The instructions for CITA reporting given in the sections, below, are predicated upon the assumption that agencies will be able to complete a full analysis of Tangoe’s recommendations prior to submitting their CITA report. (In such cases the “Maximum” and “Most Likely” estimates will be the same, and will be based upon agency decisions regarding optimization and termination of

unnecessary devices). However, if, for any reason, an agency must submit their CITA report prior to completing their Tangoe analysis, then those sections should be ignored, and the following decision rule should be employed instead to calculate agency savings opportunities:

In the spreadsheet from Tangoe, in the “Savings Tracker” worksheet look at the annual “Total Savings” figure, and estimate for CITA purposes that the net FY 2012 savings will be:

- A maximum of **54 percent** of Tangoe’s “Total Savings” amount (based upon subtracting Tangoe’s 19.5 percent fee, and then pro-rating the savings for an estimated eight months (November-June))
- The most likely savings will be **43 percent** of Tangoe’s “Total Savings” amount (80 percent of the maximum)

Adjust the estimates for any knowledge you have of your agency’s specific wireless environment (number of emergency or seasonal-use phones, etc.).

3. **Calculate Tangoe’s Fee:**

Tangoe’s one-time fee is 19.5% of the projected annual savings from adopting one of their recommendations for discontinuing a zero-use device or optimizing a wireless plan. To calculate it, take the monthly savings and multiply by 12 to obtain the annual savings, and then multiply by .195 to obtain the fee. Add up the individual fees to derive a grand total Tangoe fee. For example: Say you accept a Tangoe recommendation with a monthly savings of \$100.00:

$$\begin{array}{r} \$100.00 \text{ Savings per month} \\ \quad \times 12 \text{ Months} \\ \hline \$1200 \text{ Annual savings} \\ \quad \times .195 \text{ Tangoe fee \%} \\ \hline \$234.00 \text{ One-time Tangoe fee} \end{array}$$

(Over the first twelve-month period the customer would save \$966.00 (\$1200.00 minus \$234.00. After the first twelve months the customer would save the full \$1200.00 per year).

4. **Calculate the Tangoe-related Projected FY 2012 Savings:**

Next, calculate the net savings that are projected to be achieved in FY 2012. For this purpose, assume that savings will begin 60 days after the TSR has been submitted. Continuing from the previous example, assume that the TSR is submitted September 1, and the savings begin 60 days later (November 1). Multiply the monthly savings by the number of months remaining in FY 2012, and subtract Tangoe’s onetime fee to derive the net FY 2012 savings:

$$\begin{array}{r} \$100.00 \text{ Savings per month} \\ \quad \times 8 \text{ Months (November-June)} \\ \hline \$800.00 \text{ Gross FY 2012 savings} \\ \quad - \$234.00 \text{ One-time Tangoe fee} \\ \hline \$566.00 \text{ Net FY 2012 savings (CITA reportable)} \end{array}$$

Add up the net savings from each phone/device to derive a total projected net Tangoe-related savings for FY 2012.

5. **Add the Tangoe and Non-Tangoe Savings for Task MT-1:**

Add the total FY 2012 net Tangoe-related savings to the total of any FY 2012 non-Tangoe-related savings to sum up the grand total of all projected FY 2012 wireless savings.

Net FY 2012 Tangoe-related savings
+ FY 2012 Non-Tangoe-related savings (if any)
Grand total projected FY 2012 wireless savings (reportable for CITA Task MT-1)

Taken together, the Tangoe wireless audit and an agency's own wireless device deployment evaluation fully satisfy the requirements of CITA task MT-1.

6. **For any CITA-related questions:**

Contact Matt Gill, the VITA CITA project manager:

Matt.gill@vita.virginia.gov,

804-416-6051

Or contact your VITA Customer Account Manager (CAM)