



Senator Lyman F. Hoffman

Senate Finance Committee - Co Chair

Alaska State Legislature • State Capital • Juneau, AK 99801-1182

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Attu
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Bethel
Chefornak
Chernofski
Chignik
Chignik Lagoon
Chignik Lake
Clark's Point
Cold Bay
Dillingham
Dutch Harbor
Eek
Egegik
Ekuk
Ekwok
False Pass
Goodnews Bay
Ivanof Bay
Kasigluk
King Cove
King Salmon
Kipnuk
Koliganek
Konggiganak
Kwethluk
Kwigillingok
Lower Kalskag
Manokotak
Mekoryuk
Naknek
Napakiak
Napaskiak
Nelson Lagoon
New Stuyahok
Newtok
Nightmute
Nikolski
Nunapitchak
Oscarville
Perryville
Pilot Point
Platinum
Port Heiden
Portage Creek
Quinhagak
Saint George Island
Saint Paul Island
Sand Point
Shemya Station
South Naknek
Togiak
Toksook Bay
Tuluksak
Tuntutuliak
Tununak
Twin Hills
Ugashik
Unalaska
Unga
Upper Kalskag

May 10, 2010

Senator Kevin Meyer, Chairman
Legislative Budget and Audit Committee
716 West 4th Avenue, Suite 410
Anchorage, Alaska 99501

Dear Mr. Chairman:

Please consider this letter as a formal request for the Legislative Budget and Audit Committee to perform an audit of the Department of Administration and the Enterprise Technology Services Section of the Department.

I believe the audit should address the following:

1. With respect to the current Core Telecommunications contract:
 - What was the total annual cost for these services at the time the contract was executed
 - What was the expected cost of the contract at the time it was executed
 - What is the current total annual cost
 - If the current costs exceed the expected and/or actual costs at the time of execution, please explain why and how that occurred
 - Describe any changes in the scope of the contract since it was executed
 - When will the current core telecommunications contract expire
 - Does the DOA plan to extend or renew the current contract, or issue a new RFP for those services
2. Has any additional work been "sole sourced" to the current contractor, or to any other telecommunications provider? (For example, there appears to be a substantial amount of money spent under the broad category of "Program Management and Consulting" which apparently is not covered in the vendor's contract. If this is correct, shouldn't a separate RFP be issued to cover these services?)
3. Has other telecommunications/data/technology work been sole sourced without a competitive bid?
4. As the Enterprise Technology Services Section has the responsibility to provide telecommunications services to the line agencies of State government, what new technologies is the Section providing to make State employees more productive in performing their daily tasks?
5. Describe proactive work to explore new technologies (like MPLS, Metro Ethernet and SIP trunking) which hold the promise of increasing State employee productivity and reducing long-term costs for all State agencies?

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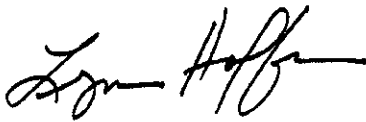
Email: Senator_Lyman_Hoffman@legis.state.ak.us

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In closing, I want to clarify the rationale for my request. After a recent internal debate within the Department of Administration — and with other officials within the Parnell Administration — the Governor directed the DOA to issue a new RFP for wireless services. As a result of the Governor's action, the State of Alaska is currently saving 40% for the cost of those services over the prior State method of procuring those wireless services. I believe there may similar opportunities for the State to reduce its telecommunications costs by 1) allowing the private sector to bid on services that now appear to be executed via "sole source" contracts or 2) by simply not issuing an RFP for telecommunications services when such action should be taken. Clearly, that was the benefit of the wireless RFP. I hope that this audit will ultimately result in similar savings for other telecommunications services which the State purchases from the private sector.

Thank you for considering my request for this audit.

Sincerely,

A handwritten signature in black ink, appearing to read "Lyman Hoffman", with a long horizontal flourish extending to the right.

Senator Lyman Hoffman
Senate District S