

AGENDA ITEM SUBMITTAL

Otero County Commission

Submitted by: Pamela Heltner, County Manager

Meeting date: Thursday, April 13, 2023

Subject:	Request approval of an agreement between Otero County and SpyGlass Group, LLC to perform internal cost reduction analysis.
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Research/Background:

SpyGlass will perform an audit of data lines to include cell phones, telephone and internet lines to determine if savings can be made with said vendors that we contract with.

The amount paid to SpyGlass in 2019 for these services was \$7,922.34 with a County savings of \$52,468.32.

FEE STRUCTURE BREAKDOWN:

*****Side Note: None of this part matters if you do not choose our recommendations. *****

50/50 Retroactive: Any reimbursement back to you from your provider we split. Example : \$10,000 reimbursement. You get the \$10,000 first then give us a cut of \$5,000.

Future savings: Service Elimination and General Cost Reduction: 12x multiplier is attached to what we saved you (first year of savings)

This means that the first 12 months of Savings (from things you choose) That is how we are paid:

By the numbers: (Example)

Total Yearly Telecom Budget – \$100,000

SpyGlass Average cost reduction savings presented to client (Historical average since 2001) – 26%

In the first year, by hitting these numbers your total spend has been reduced to \$74,000. SpyGlass would get \$26,000. Keeping this exercise budget neutral.

Year One: Spend \$100, 000: Bill Reduced to \$74,000. SpyGlass: \$26,000.

Year 2: Spend is \$74,000. SpyGlass \$0

Year 3: Spend is \$74,000. SpyGlass \$0

Year 4: Spend is \$74,000. SpyGlass \$0

Fiscal Impact/Funding Sources:

Staff/Department Recommended Actions:

County Attorney Review (*if needed*):

Supporting Documents/Attachments/Links

Agreement

Letter of Agency

Information

Summary