



DEPARTMENT OF ADMINISTRATION & FINANCE
FINANCE DIVISION

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February 26, 2015

The Honorable Mayor Dan Devine
and Members of the Common Council
7525 W. Greenfield Avenue
West Allis WI 53214

RE: Audit of Telecom Bills

Dear Mayor Devine and Common Council Members:

I have been approached by SpyGlass, a firm that offers audit services to governmental agencies regarding telecom charges. Units of government are exempt from several taxes and other charges normally billed by telecom companies.

A telecom bill is a complex document, spilling out a host of services and charges. SpyGlass is a recognized expert in the field of telecom audits, and they are able to wade through telecom bills and ascertain if the City is being properly billed for services.

I have personal experience with the organization, having used SpyGlass when I was Comptroller for the City of Oak Creek. In that case, they found approximately \$20,000 in savings and back billings.

They attempt to find savings in several ways: first is cost avoidance--removing things for which the City should not be billed. The second is cost recovery--recovering identifiable amounts that the City has paid that it shouldn't have. The third is line elimination--eliminating lines that are not used.

SpyGlass is paid on a contingency basis, based upon recommendations made that the City actually adopts. SpyGlass can make recommendations, and if the City does not want to adopt them or for other reasons cannot adopt them, there is no cost.

Again, there is no cost to the City unless we adopt recommendations made by SpyGlass. I have attached a copy of the contract, which I will have the City Attorney review, and a copy of an authorization agreement that SpyGlass uses to obtain information from our various telecom providers.

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This is not an audit of our telecom service. It is an audit of bills only and no recommendations as to carriers or services will be recommended.

I ask that the Committee endorse the idea and authorize me to enter into an agreement with SpyGlass, pending City Attorney review of the contract and authorization form.

Sincerely,



Mark Wyss,
City Comptroller

MW:jfw
cc: Rebecca Grill

ADM\ORDRES\MCC.Telecom Bill Audit.030315

SpyGlass Snapshot Audit Agreement

This agreement, effective as of the later of the dates of signature below ("Effective Date"), is between **City of West Allis** ("Company"), and The SpyGlass Group, LLC, an Ohio limited liability company ("Auditor").

1. **Primary Audit Services.** Company is engaging Auditor as an independent contractor to analyze its primary telecommunications service accounts (local voice, long distance voice, data, Internet, and wireless) to seek cost recovery, service elimination and cost reduction recommendations. Auditor will deliver the recommendations to Company, implement recommendations that Company elects for Auditor to implement, and deliver a complete telecommunications inventory to Company.

While Auditor is performing its analysis, Company will not make changes or perform internal cost reduction analysis with respect to provider accounts which Company has included within the scope of Auditor's review.

2. **Fees.** Company will pay Auditor the applicable fee set forth below ONLY for Auditor recommendations implemented within twelve (12) months of Auditor delivering the recommendation to Company:

- 50% of any "Cost Recovery", as defined below
- 12 times any "Service Elimination Savings", as defined below
- 12 times any "Cost Reduction Savings", as defined below

"Cost Recovery" is any refund, credit or compensation received by Company relating to past services or charges.

"Service Elimination Savings" is any monthly cost reduction received by Company relating to cancellation of any service, including monthly usage cost reduction (calculated as the average of the last 2 months of usage costs associated with the cancelled service).

"Cost Reduction Savings" is any monthly cost reduction received by Company relating to the modification, consolidation or negotiation of any service, account or contract, including post discount usage rate improvement (calculated as the (a) decrease in post discount per unit pricing realized by Company for any service, times (b) the average of Company's last two (2) months usage levels measured in such units for the modified service).

3. **Invoicing and Payment.** Fees for Cost Recovery are due as a one-time payment within 10 days of verification that Company has been issued the refund, credit or compensation resulting in such fees. Fees for Service Elimination Savings and Cost Reduction Savings are due as a one-time payment within 10 days of verification that the cancellation or other activity resulting in the Service Elimination Savings or Cost Reduction Savings has been completed. Auditor may issue separate invoices as different fees are earned.

4. **Miscellaneous.** This agreement is governed by the laws of the State of Wisconsin, without regard to principles of conflicts of law, and may be executed by facsimile and simultaneously in multiple counterparts. Company agrees that Auditor does not warrant the overall performance, Company satisfaction, or data accuracy of any telecommunications related carrier, provider, software manufacturer or vendor at any time whatsoever during or after the term of this agreement. AUDITOR SHALL NOT BE LIABLE TO THE COMPANY FOR INCIDENTAL, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES, INCLUDING, WITHOUT LIMITATION, LOST PROFITS OR BUSINESS INTERRUPTION, WHETHER SUCH LIABILITY IS ASSERTED ON THE BASIS OF CONTRACT, TORT OR OTHERWISE, EVEN IF EITHER PARTY HAS BEEN WARNED OF THE POSSIBILITY OF ANY SUCH LOSS OR DAMAGE IN ADVANCE. IN ADDITION, IN NO EVENT SHALL AUDITOR'S LIABILITY TO COMPANY EXCEED THE FEES ACTUALLY PAID BY COMPANY TO AUDITOR.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the Effective Date.

COMPANY

City of West Allis

Signature: _____

Print Name: _____

Date: _____

AUDITOR

The SpyGlass Group, LLC

Signature: _____

Print Name: Edward M. DeAngelo

Date: _____

(print or copy onto client letterhead)
(simply sign and date)
(SpyGlass will complete "Provider Information" Section)

**Letter of Agency – Authorization to Access
Telephone Provider Records**

By signing this letter below, I am giving authorization to The SpyGlass Group, LLC and its affiliates (a) to access any and all customer service records, account information, contracts, long distance carrier information, customer proprietary network information, pending order activity and/or any other information relevant to my local or long distance telecommunications service (voice or data), and (b) to establish electronic or online access to any billing for such service, if not already established, or if already established, to be provided login information for such electronic or online access. At SpyGlass' request, I give authorization to Provider to transmit Customer Service Records via fax to 440-348-9355 or mail to The SpyGlass Group, LLC, 2001 Crocker Road, Suite 200, Westlake, Ohio 44145. I represent that I have the authority to execute this form and grant this permission and I hereby desire for SpyGlass to be added as an authorized point of contact (POC) for these accounts. This permission shall remain in effect until I affirmatively revoke it. If I withdraw the authorization set forth in this Letter, I will notify Provider immediately in writing.

Client Information:

Signing Employee's Name: _____
Company Name: _____
Address: _____
City, State, Zip: _____
Telephone: _____

Provider Information:

Provider Name: _____
Account Number (s): _____

Authorized Signature: _____

Date: _____