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CLERK OF THE BOARD
OF COUNTY COMMISSIONERS
MIAMI-DADE COUNTY, FLORIDA

Memorandum

MIAMI-DADE COUNTY

Date: July 20, 2010

Agenda Item No. 8(O)(1)(D)

To: Honorable Chairman Dennis C. Moss
and Members, Board of County Commissioners

From: Carlos Alvarez
Mayor

Resolution No. R-812-10

George M. Burgess
County Manager

Subject: Recommendation for Waiver of Competitive Bidding Procedures

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This item was forwarded by the Budget, Planning and Sustainability Committee as amended to bifurcate sub items 5.1 ERP & AOIS Propworks Software Integration Services and 5.2 Copier Lease Agreements to allow staff to prepare supplemental reports addressing the concerns raised during the Committee meeting. The supplemental reports are submitted with this item.

Recommendation

It is recommended that the Board of County Commissioners waive competitive bidding procedures for the attached contracts to purchase goods and services pursuant to Section 2-8.1 of the County Code and Section 5.03(D) of the Home Rule Charter, in the best interest of Miami-Dade County. ***Contract amounts and department allocations represent the maximum spending authority based on utilization. This action does not guarantee that the total contract amount/value will be expended by County departments and/or agencies.***

Scope

The impact of the items in the accompanying Bid Waiver Package is countywide in nature.

Fiscal Impact/Funding Source

Funding will be expended only if departmental budgets can support the expenditures approved in the Resource Allocation Plan adopted annually by the Board. There is no additional fiscal impact beyond what is stated on the individual items in this package. Allocations have been rounded consistent with standard auditing practices.

Track Record/Monitor

There are no known performance issues with the vendors recommended for award in the accompany Bid Waiver Package. Each department's contract manager is reflected in the accompanying Bid Waiver agenda item.

Delegated Authority

If this item is approved, the County Mayor or County Mayor's designee will have the authority to exercise, in their discretion, subsequent options-to-renew (OTR) and extend contracts for purchase of

goods and services in accordance with the terms and conditions of the contracts listed in the accompanying Bid Waiver Package.

Background

Section 5 CONFIRMATION (UNAUTHORIZED) PURCHASES
A confirmation purchase is a ratification action approving an unauthorized purchase in accordance with Administrative Order 3-38.

Item 5.1: ERP & AOIS Propworks Software Integration Services is to ratify a confirmation purchase for ERP Interfaces and AOIS Propworks Software Integration for the Miami-Dade Aviation Department provided by Air Transport IT Services, Inc. The amount being requested is **$245,000**.

Item 5.2: Copier Lease Agreements is to ratify a confirmation purchase for copier lease agreements and document management software for the Miami-Dade Fire Rescue Department provided by Ikon Office Solutions, Inc. The amount being requested is **$384,000**.

Assistant County Manager

MEMORANDUM

(Revised)

TO: Honorable Chairman Dennis C. Moss and Members, Board of County Commissioners

DATE: July 20, 2010

FROM: R. A. Cuevas, Jr. County Attorney

SUBJECT: Agenda Item No. 8(O)(1)(D)

Please note any items checked.

_____ **"3-Day Rule" for committees applicable if raised**

_____ **6 weeks required between first reading and public hearing**

_____ **4 weeks notification to municipal officials required prior to public hearing**

_____ **Decreases revenues or increases expenditures without balancing budget**

_____ **Budget required**

_____ **Statement of fiscal impact required**

_____ **Ordinance creating a new board requires detailed County Manager's report for public hearing**

_____ **No committee review**

__✓__ **Applicable legislation requires more than a majority vote (i.e., 2/3's __✓__, 3/5's ____, unanimous_____) to approve**

_____ **Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required**

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 8(O)(1)(D)
7-20-10

RESOLUTION NO. R-812-10

RESOLUTION AUTHORIZING WAIVER OF FORMAL BID PROCEDURES FOR THE PURCHASE OF GOODS AND SERVICES, AND AUTHORIZING THE COUNTY MAYOR OR THE COUNTY MAYOR'S DESIGNEE TO AWARD SAME

WHEREAS, the County Mayor recommends to this Board to waive formal bid procedures for the purchase of goods and services which cannot be purchased under normal bid procedures,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board waives formal bid procedures for the purchase of goods and services, and authorizes the County Mayor or County Mayor's designee to award such contracts, pursuant to Section 5.03(D) of the Home Rule Charter and Section 2-8.1 of the County Code by a two-thirds (2/3s) vote of the Board members present.

The foregoing resolution was offered by Commissioner Barbara J. Jordan, who moved its adoption. The motion was seconded by Commissioner Dennis C. Moss and upon being put to a vote, the vote was as follows:

Dennis C. Moss, Chairman aye
Jose "Pepe" Diaz, Vice-Chairman absent

Bruno A. Barreiro	aye	Audrey M. Edmonson	aye
Carlos A. Gimenez	aye	Sally A. Heyman	absent
Barbara J. Jordan	aye	Joe A. Martinez	aye
Dorrin D. Rolle	aye	Natacha Seijas	aye
Katy Sorenson	aye	Rebeca Sosa	absent
Sen. Javier D. Souto	aye		

The Chairperson thereupon declared the resolution duly passed and adopted this 20th day of July, 2010. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: **DIANE COLLINS**
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

Bruce Libhaber

Item 5.1

Contract No.: CP9264-AV

Contract Title: **ERP & AOIS Propworks Software Integration Services**

Description: Ratification of a confirmation purchase for ERP Interfaces and AOIS Propworks Software Integration Services for the Miami-Dade Aviation Department.

Term: November 2005 to October 2009

Contract Amount: $244,963.92

Using/Managing Department and Funding Source:

Department	Purchase Amount	Funding Source	Contract Manager
Aviation	$245,000	Proprietary Revenue	Neivy Garcia
Total:	**$245,000**		

Vendor:	Address	Principal
Air Transport IT Services, Inc (Non-Local Vendor)	5920 Hazeltine National Drive Suite 210 Orlando, FL 32822	Fred Dowding

Performance Data: There are no performance issues with the awarded firm.

Compliance Data: There are no compliance issues with the awarded firm.

Contract Measure: Not applicable

Review Committee Date: Not applicable

Local Preference: Not applicable

Living Wage: The services being provided are not covered under the Living Wage Ordinance.

User Access Program: The User Access Program provision will not apply due to the funding source.

JUSTIFICATION

The Miami-Dade Aviation Department (MDAD) requests ratification of a confirmation purchase to Air Transport IT Service, Inc. for Propworks software integration services. The purchases were made in November 2005 through February 2008, and from March 2008 through October 2009.

Miami-Dade Aviation Department (MDAD) contracted with Air Transport IT Service, Inc. (AirIT) to incorporate the Airport Operations Information System (AOIS) and the PROPworks Revenue Management System with MDAD's Enterprise Resource Planning (PeopleSoft ERP) system. The project included an upgrade of PROPworks to Version 6, configuration of the Carrier Activity Tracking (CAT) and other tasks related to the creation of interfaces and data interchanges between various systems. The project was broken down into eight tasks with projected hours assigned to each task. The total projected hours for all tasks were 1,940. Due to unforeseen technical problems involved in the implementation, the number of hours required to complete tasks three, seven, and eight exceeded the projected hours.

Task three required the completion of data interchanges between PROPworks and PeopleSoft ERP. The task was estimated at 620 hours. The actual hours to complete this task were 3,378. There were numerous unforeseen technical problems that arose during the integration process that were addressed through collaborative efforts between MDAD and AirIT staff. The team's troubleshooting efforts allowed for successful completion of task number three of the implementation process, as well as stabilization of ERP financials, clearing of numerous conversion mapping issues, and a successful year-end closing. The hourly overages for task three incurred as a result of these unexpected challenges occurred from November 2005 through February 2008.

In March 2008, additional labor hours were needed for successful completion of tasks seven and eight of the implementation process for AOIS/CAT. Tasks seven and eight were estimated to be completed within 520 and 500 hours respectively; however, the actual hours to complete were 2,048.5 and 1,081.5 These tasks involved the integration of the cashiering function, and the replacement of the sales ticket system. Integration complexities required AirIT to perform additional customization to the billing functionality of the revenue system. The additional work spanned from March 2008 through completion of the integration in October 2009, and required AirIT staff to work onsite from January 2009 through October 2009.

AirIT kept pace with the project requirements and agreed to absorb over 64% of the overage hours. The project consumed a total of 6,137 hours for successful implementation, of which only 1,940 were budgeted. AirIT absorbed 2,697 of the 4,197 overage hours, reducing the billable hours to 1,500. The hourly rate was negotiated from $163.35 to $156, totaling $234,000 for the reduced hours. Scope changes due to the added customization to the billing system resulted in additional charges of $11,000.

Item 5.2

Contract No.: CP9346-FR

Contract Title: **Copier Lease Agreements**

Description: Ratification of a confirmation purchase for copier lease agreements and document management software for the Miami-Dade Fire Rescue Department.

Term: October 1, 2008 to September 30, 2010

Contract Amount: $384,000

Using/Managing Department and Funding Source:

Department:	Purchase Amount	Funding Source	Contract Manager
Fire Rescue	$384,000	Fire District Funds	Rick Recio
Total:	**$384,000**		

Vendor:	Address	Principal
Ikon Office Solutions, Inc. (Local Vendor)	703 Waterford Way, Suite 190 Miami, Florida 33126	Sandra Fisher

Performance Data: There are no performance issues with the awarded firm.

Compliance Data: There are no compliance issues with the awarded firm.

Contract Measure: Not applicable

Review Committee Date: Not applicable

Local Preference: Not applicable

Living Wage: The services being provided are not covered under the Living Wage Ordinance.

User Access Program: This contract includes the User Access Program provision. The 2% program discount is being collected on all purchases.

DPM Contract Manager: Lourdes Farley

JUSTIFICATION

The Miami-Dade Fire Rescue Department (MDFR) requests approval to pay invoices for the unauthorized purchase of copier lease agreements and document management software with Ikon Office Solutions, Inc. in the amount of $384,000.

MDFR currently has an allocation on the County's contract for Copier Lease Agreements in the amount of $177,000 which was approved at the June 2, 2009 Board meeting. This allocation covered the lease and maintenance of 13 copiers with expiration dates through 2015. The department subsequently entered into additional lease agreements for eleven copiers in the amount of $225,000, and a document management software system for $159,000. Sufficient funding to cover the additional 11 copiers and software was not covered by the established allocation. Ratification of this confirmation purchase will allow MDFR to pay for the subsequent lease/maintenance and software system obligations through the year 2015.

Memorandum

MIAMI-DADE COUNTY

Supplement No. A

Date: July 20, 2010

To: Honorable Chairman Dennis C. Moss
and Members Board of County Commissioners

From: George M. Burgess
County Manager

Subject: Information Requested at the July 13, 2010 Budget, Planning and Sustainability Committee Meeting Regarding the Confirmation Purchase for Miami-Dade Aviation Department

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This memorandum responds to the request for information at the July 13, 2010 Budget, Planning and Sustainability Committee meeting regarding the confirmation purchase for software integration services used by the (MDAD).

Background

MDAD requested authorization to pay an outstanding invoice owed to Air Transport IT Service, (AirIT) Inc. in the amount of $244,936.92 for PropWorks Software Integration Services. The PropWorks system handles all airport revenue, aviation statistics, agreement management, lease management, carrier activity tracking, cashier, GIS space management, delinquency invoice processing, customer maintenance and all billing and invoicing. A memorandum from the MDAD Director (attached) was received by the Department of Procurement Management on March 31, 2010 explaining the circumstances surrounding the confirmation purchase.

The PeopleSoft Financial System (ERP) is MDAD's financial accounting software. In order to develop the PropWorks/ERP interfaces required to meet the ERP implementation deadline, an emergency contract (E2040-AV) became effective August 24, 2005. Eight tasks were identified in the Emergency Purchase Order.

Between 2005 and 2009, Tasks One, Two, Four, Five and Six were completed on time and within the approved Purchase Order budget. However, the number of hours required to complete Task Three (the ERP/PropWorks interfaces) surpassed the original estimate because of the extreme complexity of the work.

In mid-2009, it became apparent that the remaining tasks (Seven and Eight) were also far more complicated than originally thought, and would require much more technical staff time than estimated and bid. Due to the critical importance of the work, MDAD staff asked the vendor to assign staff on-site, rather than working remotely, as completion was critical to the opening of the North and South Terminals, and the functioning of their advanced technological features. Staff worked with the vendor to arrive at a reduced hourly rate in order to mitigate the impact of the unexpected complexities to the Department.

It is now apparent that MDAD project staff should have alerted its contract administrators and the Department of Procurement Management to request additional funding authority to cover the excess number of hours required. The importance of following the procurement process and procedure in regard to observing allocation ceilings has been addressed through meetings.

The attached memo sent out by the MDAD Director on June 1, 2010 has emphasized staff responsibility for adhering to proper procurement procedures. In addition all employees involved in any aspect of the procurement process will be required to attend a special procurement training class to prevent future unauthorized purchases.

Attachments

Assistant County Manager

Memorandum

MIAMI-DADE COUNTY

Date: March 31, 2010

To: Miriam Singer, CPPO
Director
Department of Procurement Management

From: Jose Abreu
Director
Miami-Dade Aviation Department

Subject: Confirmation (Unauthorized) Purchase from Air Transportation IT Services, Inc. - Requistion No. RQAV1000010 for ERP and AOIS Propworks Software Integration Services

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The Information Systems Division uses Propworks (AirIT) System software to support Properties, Commercial Operations, Airside Operations and the Finance Division's execution of several business functions. Additionally, significant integration has been incorporated with PeopleSoft ERP Financials, GIS and AirIT's AOIS and FIDS systems. Air Transport IT Services, Inc is the only vendor that provides support and maintenance of the Propworks software and has been providing this service as part of the original contract issued by MDAD to purchase the software in 2002.

In 2005, the Aviation Department was in the midst of implementing a new Enterprise Resource Planning/Financial System (ERP). Part of the implementation included integrating the Propworks Customer and Billing components with the PeopleSoft ERP system. In order to develop the Propworks/ERP interfaces required to meet the targeted ERP implementation date of Nov.1st, 2005 MDAD requested, thru DPM, an emergency purchase order to allow AirIT to work with MDAD to complete the integration. The project scope was defined to the best of MDAD's staff ability at the time and the emergency purchase order was issued on 08/29/2005 for $395,000.00.

During the lengthy and complicated four year integration process, the Department inadvertently exceeded the project hours included in the original scope and purchase order.

Total project Hours through April 30th, 2009 – 5,295.7
Original Project Hours (Budgeted) – 1,940
AirIT Project Hours Overage – 3,282.2
AirIT Absorbed Hours - 1,782.2
Hours Owed AirIT as part of the Confirmation P.O. – 1,500
The final negotiated amount taking into consideration the hours AirIT absorbed and $10,963.02 for additional scope came to **$244,963.92**.

Going forward this implementation will provide management the ability to eliminate manually entered "Self-Reported" statistics and allow for "Direct Billing" of Airlines. This will put MIA in position to be the first Major U.S. Airport to be able to do this and will have a very significant impact on revenue and will reduce staffing costs. This was a unique situation with a great deal of complexities as evidenced by the fact that it has taken over four years to complete all the tasks on this project. Going forward we will closely work with DPM staff to request emergency or gap contracts when necessary in a timely manner.

C: Ysela Llort, Assistant County Manager
Bobbie Jones-Wilfork, MDAD Assistant Director
Neivy Garcia, MDAD Commodities Management Division Director

Memorandum

MIAMI-DADE COUNTY

Date: June 1, 2010

To: Deputy Directors
Assistant & Associate Directors
Division Directors

From: Jose Abreu, P.E.
Aviation Director

Subject: Confirmation (Unauthorized) Purchases

The purpose of this memorandum is to reiterate the departmental responsibilities relating to the administration of the Master Procurement Administrative Order number 3-38. This Administrative Order governs the County's processes for the purchase of goods and services. It establishes not only the roles and responsibilities of the Department of Procurement Management (DPM) and the individual County Departments, but also the methods of purchasing goods and services, and the authority to award contracts. Any departure from this A.O., the County code or the Procurement guidelines is considered to be a confirmation purchase.

A confirmation purchase is a ratification action that approves an unauthorized purchase. As noted in A.O. 3-38, an unauthorized purchase is a purchase or commitment of funds by an employee that does not have the authority to do so, or a purchase or commitment of funds by an authorized employee, but not in accordance with the County legislation or the procedures prescribed by A.O. 3-38. The A.O. establishes that the payment for any unauthorized purchase may be deemed the responsibility of the employee that made the purchase or commitment, and shall subject said employee to disciplinary action up to and including termination. What this means is that the employee who made the commitment of the funds for the unauthorized purchase can be made responsible for paying the bill out of their own pocket.

The Board of County Commissioners is required to approve all confirmation purchases for commitments exceeding $100,000.00. Also, all confirmation purchases regardless of value require that the Department Director respond to the County Manager, in writing, with a justification to include the disciplinary action taken, if appropriate, and the corrective action(s) implemented to prevent recurrence.

Our purchasing function was centralized within the Division of Commodities Management in order properly control and monitor the Department's purchasing activities with the goal of preventing confirmation purchases. Recently, it has been brought to my attention that we have had several occurrences of confirmation purchases. This is unacceptable and we must take steps to ensure this does not continue to occur.

We must ensure staff is cognizant of the process and the repercussions of not following the proper process. All requests for purchases must be routed through the Commodities Management Division and all staff must be directed to cooperate with Commodities Management staff to in order to ensure the legitimate and timely processing of requests.

I will be getting monthly reports on all confirmation purchases and when a purchase is deemed to be unauthorized, the Assistant Director and Division Director having responsibility over the unauthorized purchase will be sent a notification with a request for justification. Additionally, they and the responsible employee will be required to attend a special procurement training to prevent recurrence.

I have included the Master Procurement A.O. 3-38 and the DPM Procurement Guidelines for your review only. A DSOP will be forthcoming.

Attachments

C: Ysela Llort, Assistant County Manager
Miriam Singer, DPM Director

Memorandum

MIAMI-DADE COUNTY

Supplement No. B

Date: July 20, 2010

To: Honorable Chairman Dennis C. Moss
and Members Board of County Commissioners

From: George M. Burgess
County Manager

Subject: Information Requested at the July 13, 2010 Budget, Planning and Sustainability Committee Meeting Regarding the Confirmation Purchase for Miami-Dade Fire Rescue Department

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The memorandum is provided pursuant to the request made by the Budget, Planning and Sustainability Committee meeting on July 13, 2010 for a report concerning the replacement copier purchases made the Miami-Dade Fire Rescue Department (MDFR).

Background

In early 2009, MDFR was made aware by the Department of Procurement Management (DPM) of an opportunity to save money by leasing new copiers to replace existing copier leases that were set to expire. MDFR submitted to DPM an initial list of 13 copiers to be replaced that would yield a savings to MDFR of $30,021 per year, or more than $150,000 during the five year lease term (see Attachment 1). MDFR was subsequently informed that the vendor was willing to buy out the leases of other copiers that had less than 12 months of payments remaining. MDFR had 11 more copiers with less than 12 months remaining, and entered into a new agreement for those machines that yielded a savings to MDFR of $9,062, or more than $45,000 during the five year lease term (see Attachment 2).

MDFR is using some of the $39,083 annual savings to purchase a document management system that links these copiers together via software on an MDFR server. This allows for the Logistics and Facilities Divisions, the entities that work most with procurement, to share documents, such as purchase orders, electronically, with the Finance Bureau and County vendors. This practice saves paper and storage space by not printing documents and saves time by not having to manually forward those printed documents throughout the department and to outside vendors. This more efficient system has enhanced our purchasing process and improved our prompt payment to County vendors. The document management system cost is $29,366 per year, allowing the department to still save almost $10,000 per year. The replacement copier leases also provide for free toner cartridges, which will result in additional savings. Since these copiers also function as scanners and fax machines, it reduces the need for separate machines and produces additional savings for machine maintenance and toner cartridges.

MDFR acknowledges that our Procurement Bureau must work more closely with DPM to ensure that adequate contract allocations exist prior to the purchase of goods and services. While our intent was to reduce cost and become more efficient, the outcome was the need for a confirmation purchase, and the department will monitor contract allocations to prevent this from happening again.

The attached memo sent out by the Fire Chief to all Assistant Chiefs, Assistant Directors and Division Chiefs emphasizes the staff responsibility for adhering to proper procurement procedures and requires those involved in the procurement process to attend a mandatory training session to prevent future unauthorized purchases.

Attachments

Assistant County Manager

ATTACHMENT 1

COPIER ORDER BREAKDOWN
Original 13 Replacement

CURRENT COPIER TO BE REPLACED - ORIGINAL 13							NEW COPIER				
Make	Model	Serial #	Location	Monthly Payment	Monthly Allowance	Overage Rate	Make	New Model	Monthly Payment	Monthly Allowance	Overage Rate
Canon(Ikon)	IR4570	BP884/ SKU26388	MIT	$452.04	75,000	$0.0056	Ricoh	MP6000	$ 223.65	15,000	$0.00370
Canon(Ikon)	IR4570	SKU08727/ ID#AP354	Fire Alram Office	$428.39	75,000	$0.0056	Ricoh	MP4000	$ 230.09	10,000	$0.00730
Canon(Ikon)	IR4570	SKU07740/ ID#BC253	Central Records 3/29	$424.98	75,000	$0.0056	Ricoh	MP4000	$ 193.59	5,000	$0.00730
Canon(Ikon)	IR4570	SKU06231/ ID#AW879	EMS 3/30	$424.98	75,000	$0.0056	Ricoh	MP4000	$ 230.09	10,000	$0.00730
Canon(Ikon)	IR4570	SKU06226/ ID# BC318	Facilities 3/30	$428.39	75,000	$0.0056	Ricoh	MP4000	$ 230.09	10,000	$0.00730
Canon(Ikon)	IR4570	SKU21913/ ID# 11028220	Finance 3/28	$424.98	75,000	$0.0056	Ricoh	MP6000	$ 223.65	15,000	$0.00730
Canon(Ikon)	IR4570	SKU06232/ ID# BC194 (11266516)	Procurement 3/30	$452.04	75,000	$0.0056	Ricoh	MP4000	$ 193.59	5,000	$0.00730
Canon(Ikon)	IR4570	SKU20454/ ID# BD333	Air Rescue	$428.39	75,000	$0.0056	Ricoh	MP4000	$ 230.09	10,000	$0.00730
Canon(Ikon)	IR4570	SKU22759/ ID# BF597	Support Office	$452.04	75,000	$0.0056	Ricoh	MP4000	$ 230.09	10,000	$0.00730
Canon(Ikon)	IR4570	SKU22545 ID# BF601	Personnel	$428.39	75,000	$0.0056	Ricoh	MP4000	$ 230.09	10,000	$0.00730
Canon(Ikon)	IR3570	SKV61338/ BB941	Internal Affairs	$327.94	50,000	$0.00650	Ricoh	MP4000	$ 178.99	3,000	$0.00730
Canon(Ikon)	IR3570	SKV63092/ID# BP272	Media Relations (PIO)	$327.94	50,000	$0.00650	Ricoh	MP4000	$ 193.59	5,000	$0.00730
Canon(Ikon)	IR3570	SKV11313/ ID#AW833	Fire Prev. File Room	$331.01	50,000	$0.00650	Ricoh	MP6000	$ 242.15	20,000	$0.00370

Previous cost per month	**$5,331.51**	**New cost per month**	**$2,829.75**
Previous cost per year	**$63,978.12**	**New cost per year**	**$33,957.00** 5 Year Allocation $169,785
		Annual $ savings for MDFR by replacing 13 copiers	**$30,021.12**
		Savings during the 60 months life of the contract	**$150,105.60**

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ATTACHMENT 2

COPIER ORDER BREAKDOWN
Additional 11 Replacement

CURRENT COPIER TO BE REPLACED (Additional 11)						
Make	**Model**	**Serial #**	**Location**	**Monthly Payment**	**Monthly Allowance**	**Overage Rate**
Toshiba	e-202L	CQL617845	Human Resources	$181.39	10,000	$0.04850
Toshiba	e-202L	CQL617789	Facilities Shop	$142.61	10,000	$0.04850
Canon(Ikon)	IR4080C	ID# 11001078 C09031328	USAR	$916.70	10,000	$0.85 color and $.02 for B/W
Canon(Ikon)	IR105	KCQ01413	Training Division	$1,940.57	250,000	$0.03500
Canon(Ikon)	IR3035	SKV ID# 10959246	Fire Prevention South	$331.01	75,000	$0.00650
Canon(Ikon)	IR3570	SKV68923/ ID BN882	Fire Prevention North	$331.01	75,000	$0.00650
Xerox	DC440	NG4168003	Dive Ops (Maint. Only)	$74.00	Unlimited	$0.00000
Toshiba	e-202L	CQH615734	Hazmat	$142.61	10,000	$0.04850
Toshiba	e-202L	ID#63065	Division 2	$142.61	10,000	$0.04850
Toshiba	e-202L	ID #62922	Division 3	$142.61	10,000	$0.04850
Xerox	DC440	NG4147628	Occupational Health (Maint. Only)	$74.00	Unlimited	$0.00000

NEW COPIER				
Make	**New Model**	**Monthly Payment**	**Monthly Allowance**	**Overage Rate**
Ricoh	**MP6001**	$224.10	10,000	$0.0037
Ricoh	MP4000	$142.35	6,000	$0.0073
Ricoh	MPC4000	$634.10	5,000 B/W & 5,000 color	$0.109 color & $0.06 -B/W
Ricoh	PRO1107EX	$1,632.00	240,000 PER QUARTER	$0.0030
Ricoh	MP4000	$161.30	10,000	$0.0073
Ricoh	MP4000	$190.50	10,000	$0.0073
Ricoh	MP4000	$154.00	5,000	$0.0073
Ricoh	MP4000	$135.05	5,000	$0.0073
Ricoh	MP4000	$135.05	5,000	$0.0073
Ricoh	MP4000	$135.05	5,000	$0.0073
Ricoh	MP4000	$120.45	5,000	$0.0073

Previous cost per Month	**$4,419.12**	**New Cost per month**	**$3,663.95**
Previous cost per Year	**$53,029.44**	**New Cost per year**	**$43,967.40** 5 Year allocation $219,837
		Annual $ savings for MDFR	
		By replacing 11 additional copiers	**$9,062.04**
		Savings during the 60 months life of the contract	**$45,310.20**

Memorandum

MIAMI-DADE COUNTY

Date: June 17, 2010

To: Mariam Singer, Director
Department of Procurement Management

From: Herminio Lorenzo, Fire Chief
Miami Dade Fire Rescue Department

Subject: Confirmation (Unauthorized) Copier Lease Agreement with Ikon Business Solutions
Requisition No. RQFR1000021

The Fire Department requested information for replacement copiers with a lease expiration of September 11, 2008 and was provided two options. The first was the State of Florida (SOF) and the other was the Multifunctional Devices, Copy Equipment, Service (MDCPS) contract. After reviewing both, MDFR felt that MDCPS contract was a greater price value and provided ease of use and more options. We had several conversations with DPM on terms and allocation and provided a five year request via email for 13 copiers. The request was changed to three years on the advice of DPM due to MDCPS contract expiration and DPM was also perusing its own contract. Our request was made for three years for $180K. Keeping this in mind and base on past practice MDFR assumed that DPM would created a Bid Waiver contract to support existing agreements until the expiration. Recently we were advised by DPM that the current contract would be extended instead of being replaced to accommodate the remaining agreements. MDFR not expecting this action was compelled to ask for a modification and was advised of this issue before us.

Along with other departments, MDFR were offered an aggressive pricing proposal by Ikon that would save the County thousands of dollars. The offer proposed; Ikon would buy-out any lease up to 12 months remaining on Canon copiers for a new lease on a Ricoh product (same copier on the SOF contract with better pricing). This scenario could potentially saved MDFR $200.00 to $300.00 per copier per month and a total of over $100K over the term of the leases. MDFR took advantage of the savings not thinking this would be viewed a confirmation. It was never the intent of MDFR to circumvent the County process. It was a conscientious move to save MDFR money in such a budget crisis that we have never seen before. We initially provided a list of 13 copiers that grew to 24 copiers and a document management system. Currently all documents are filed manually which creates problems for space and if misfiled or lost. The document management system provided by Ikon works with the Ricoh copiers in a seamless manner. Approved ADPICS p.o.'s printed go directly to a server and can then be sent electronically or stored for accountability purposes versus having file cabinet taking up space. They are only printed if a hard copy is required saving paper and copier cost per copy fees. The application currently in Purchasing and Logistics will eventually be used by our Finance, Facilities and Construction, H.R, and Personnel divisions to provide better accountability of our document storage while saving on storage facility fees.

MDFR will continue to cooperate with DPM on this issue never happening again with a clearer understanding of the process and providing better projections. The case is unusual in nature, where goods and services are purchased without the bid process. MDFR recognizes the seriousness of this matter and is determined to avoid a reoccurrence of this issue. In the future, situations that may arise will be evaluated and adherence to the County's purchasing policies will be exercised.

Please do not hesitate to contact me should you have further questions at (786) 331-5122.

Memorandum

MIAMI-DADE COUNTY

Date: July 16, 2010

To: Assistant Chiefs, Assistant Directors and Division Chiefs
Miami-Dade Fire Rescue

From: Herminio Lorenzo, Director
Miami-Dade Fire Rescue Department

Subject: MDFR Procurement

The purpose of this memorandum is to reiterate the departmental responsibilities relating to the administration of the Master Procurement Administrative Order number 3-38. This Administrative Order governs the County's processes for the purchase of goods and services. It establishes not only the roles and responsibilities of the Department of Procurement Management (DPM) and the individual County Departments, but also the methods of purchasing goods and services, and the authority to award contracts. Any departure from this A.O., the County code or the Procurement guidelines is considered to be a confirmation purchase.

A confirmation purchase is a ratification action that approves an unauthorized purchase. As noted in A.O. 3-38, an unauthorized purchase is a purchase or commitment of funds by an employee that does not have the authority to do so, or a purchase or commitment of funds by an authorized employee, but not in accordance with the County legislation or the procedures prescribed by A.O. 3-38. The A.O. establishes that the payment for any unauthorized purchase may be deemed the responsibility of the employee that made the purchase or commitment, and shall subject said employee to disciplinary action up to and including termination. What this means is that the employee who made the commitment of the funds for the unauthorized purchase can be made responsible for paying the bill out of their own pocket.

The Board of County Commissioners is required to approve all confirmation purchases for commitments exceeding $100,000.00. Also, all confirmation purchases regardless of value require that the Department Director respond to the County Manager, in writing, with a justification to include the disciplinary action taken, if appropriate, and the corrective action(s) implemented to prevent recurrence.

I have instructed the MDFR Procurement Bureau to set up a series of training sessions for all personnel involved in the procurement process. We must ensure that our staff is fully cognizant of the process and the repercussions of not following the process. While we have been able to reduce the number of confirmation purchases, we must be resolute in our efforts to make sure contract allocations exist prior to the purchase of goods and services, and the personnel responsible for this process will be held accountable for the adherence to the procurement process.

C: Alina Hudak, Assistant County Manager
Miriam Singer, DPM Director