

DEPARTMENTAL INPUT
CONTRACT/PROJECT MEASURE ANALYSIS AND RECOMMENDATION

New OTR Sole Source Bid Waiver Emergency Previous Contract/Project No. _____

Contract
 Re-Bid Other

LIVING WAGE APPLIES: YES NO
 TERM OF CONTRACT 1 YEAR(S) WITH 4 YEAR(S) OTR

Requisition No./Project No.: RQET1600004

Requisition /Project Title: PITNEY BOWES GROUP 1 SOFTWARE MAINTENANCE

Description:

To establish a legacy contract for the Miami-Dade Water and Sewer Department to purchase software maintenance and support services for the existing CODE-1 Plus, DOC1 Designer, DOC1 Generate and Mailstream Plus applications provided by Pitney Bowes, Inc.

Issuing Department: ISD Contact Person: Margaret Brown Phone: 305-375-4914

Estimate Cost: \$231,025 GENERAL FEDERAL OTHER

Funding Source: Proprietary

ANALYSIS

Commodity Codes: 920-45			
Contract/Project History of previous purchases three (3) years Check here <input type="checkbox"/> if this is a new contract/purchase with no previous history.			
	EXISTING	2ND YEAR	3RD YEAR
Contractor:	Pitney Bowes Software		
Small Business Enterprise:			
Contract Value:	\$210,357.00	\$	\$
Comments: _____			

Continued on another page (s): YES NO

RECOMMENDATIONS

	Set-aside	Sub-contractor goal	Bid preference	Selection factor
SBE				

Basis of recommendation:

Signed: <u>Margaret Brown</u>	Date sent to SBD: <u>1/15/2016</u>
	Date returned to DPM: _____

IT SUMMARY

Action: Legacy Contract Request for Miami-Dade Water and Sewer Department

Requisition #: RQET1600004

Committee/Committee Date: N/A

* DPM internal Processing due date: N/A

Projected BCC Date: N/A

Purpose of the Acquisition: Establish a legacy contract for the Miami-Dade Water and Sewer Department to purchase software maintenance and support services for the existing CODE-1 Plus, DOC1 Designer, DOC1 Generate and Mailstream Plus applications provided by Pitney Bowes, Inc.

Recommended Contractor: Pitney Bowes Software, Inc.

Contract Term: 1 Year with 4 one-year Options-to-Renew

Contract Amount: \$231,025 for the initial one-year term

OTR 1 – 153,765

OTR 2 – 157,916

OTR 3 – 162,232

OTR 4 – 166,722

Estimated Cumulative Value: \$871,660.00*

(*Should all options be exercised by the County)

BCC Approval to Advertise Date: N/A

Background: The Miami-Dade Water and Sewer Department (WASD) utilizes various Pitney Bowes software applications for their PeopleSoft Customer Information System (CIS) to produce and provide appropriate mailing information for customer bills. This system was procured in 1994 through a competitive Request for Proposal (RFP) process from BearingPoint (formerly KPMG) through Resolution R-822-98 to provide a “turnkey” solution. The primary computer application implemented by BearingPoint was PeopleSoft CIS with the utilization of various Group 1 applications for printing and mailing customer bills. The original software and maintenance contract was awarded via a Board of County Commissioners (BCC) Resolution on March 16, 2004 to Group 1 Software (now Pitney Bowes, Inc.) Under this contract, Group 1 provided continued software support and maintenance services for applications on the CIS, which expired on 2/28/10.

A legacy contract for continued services is requested to provide WASD with the ability to pay for software maintenance, support services, training and professional services to the CIS. WASD wants to continue with the maintenance and support of this system as well as professional services, training licenses and upgrades when needed, in order to continue to have the ability to produce and mail customer bills to existing accounts and with postal automation discounts. This software performs the address validation for USPS handling by verifying, standardizing and correcting address elements and producing delivery point bar codes to enable pre-sorting for postal automation discounts. This software (DOC1) is used for bill composition of WASD's 2,260,000 bills that are printed and mailed annually.

Market Research: Market research revealed other printing and mailing software manufacturers that provide a similar product, however the pricing is much higher since the County already have the licenses for the Pitney Bowes software and the software must be able to integrate with PeopleSoft. The County has used these applications since 1994 and has invested in software upgrades and standardized on Pitney Bowes equipment to integrate this software into their PeopleSoft CIS System. Pitney Bowes is the proprietary owner of these software applications and the sole provider of maintenance and support services.

Recommendation: These applications help produce a significant savings to WASD's CIS operations. In 2014, WASD sent out 2,260,450 bills at \$.38, totaling \$858,971 utilizing this software; without the software, first class postage at \$.49 would have cost the department a total of \$1,107,620, an increase of \$248,649 more in postage. In addition to postal savings, WASD could not process the volumes of invoices that go out to customers without the use of these applications. Based on the proprietary nature of these software applications and WASD foreseeing using them in the long-term, it is recommended that a legacy contract be established with Pitney Bowes to obtain the necessary maintenance and support services to support WASD's mailing and billing operations.

Margaret Brown
Officer/Associate

January 15, 2016
Date

Non-Competitive IT Project Review

Directions for Completion: Departments requesting a non-competitive project review for new or existing Information Technology (IT) Systems are required to complete this questionnaire along with the appropriate Bid Waiver/Sole Source Justification Form. The response and explanation fields are to be fully completed to provide all background on the project. Please be as specific as possible and provide all backup documentation, doing so will expedite the review of your project.

The answers provided in the response field shall be according to the following format:

- "Y" – Yes
- "N" – No
- "N/A" – Not applicable

Current Contract Information:		
Questions:	Response:	Explanation:
When and how was the IT software/hardware initially purchased by the County? (Please provide contract number, award info, and applicable documentation)		Current contract: BW9439-4/15 See attachment #1
When does the current contract expire?		1/31/2016
If the contract has expired, how are/have you been maintaining the IT hardware/software? (Provide explanation and documentation if applicable)	N/A	
Was maintenance and support included in the current contract? If no, why not? Did it include assistance with transition to a new system?	Y	
What other applications does the System integrate/interface with?		Oracle Customer Care & Billing system
If a new system were deployed would it still be necessary to support the current system in parallel? How long would the legacy system need to be maintained and operational? Could historical data be stored in a data warehouse? What would be the cost?	N/A	
What is the purpose of this IT hardware /software? What is the expected life cycle?		Bill composition and generation, address validation, standardization and correction of address elements, point bar codes to enable pre-sorting for postal automation discounts.
Is this product an integral part of the County / Department's technical infrastructure? Does it perform system critical functions? If so, what?	Y	Used to produce WASD's 2,260,000 bills that are printed & mailed annually

Non-Competitive IT Project Review

Are these solutions delivered through the Original Equipment Manufacturer (OEM) support? If no, is it delivered through authorized reseller or dealers?	Y	
On the current contract, is the User Access Program (UAP) and Inspector General being collected?	Y	
Does the current contract require insurance? <i>(Note: Any vendor required to come onto County property is required to have insurance throughout the term of the Agreement.)</i>	N	
Have you encountered any issues during the contract term regarding performance or compliance?	N	
Have you been satisfied with the performance of the vendor to date?	Y	
Market Research:		
<u>Questions:</u>	<u>Response:</u>	<u>Explanation:</u>
Are there available equivalents to the product or service you are requesting for this new project? <i>(Please provide documentation regarding your Department's market research)</i>	N	Research on the Internet and trade publications does not show any companies other than Pitney Bowes that provide technical and application assistance for the Group 1 products.
If there are available equivalents, why do these products not meet your needs? What are the differences? <i>(Please be as specific as possible to provide sufficient detail to justify your request.)</i>	N/A	
Can the vendor meet your long term needs? What research has been conducted to verify their ability to meet your expectation? <i>(Please provide documentation, as applicable, to show your findings)</i>	Y	
What other vendors offer systems capable of providing the County with a solution?	N/A	
Are these solutions delivered through the Original Equipment Manufacturer (OEM) support or is it delivered through authorized reseller or dealers.	N/A	

Non-Competitive IT Project Review

Are dealers required to complete a certification program or are they restricted to levels of support set up by the vendor/mfg? <i>(I.e. gold plan vs. platinum plan – gold allows vendor to maintain equipment but they do not have access to software upgrades or new system implementations. Platinum allows vendors to complete new product installs and all other support).</i>	N/A	
What level support does the County require for this new project?		Same as existing contract
Are there other systems currently employed by the department / County that are similar that could provide a solution?	N	
If a new system were deployed would it still be necessary to support the current system in parallel?	N/A	
How long would the legacy system need to be maintained and operational?	N/A	
Could historical data be stored in a data warehouse? What would be the cost?	Y	WASD is currently working with ITD in a project to store images of the bills in the County Documentum solution.
Has the replacement system been reviewed and approved by the IT Leadership Council?	N/A	
New Project Information:		
<u>Questions:</u>	<u>Response:</u>	<u>Explanation:</u>
What are the business goals and objectives of this new project? <i>(Please be specific)</i>		Continue to produce WASD's 2,260,000 bills that are printed and mailed annually
What contract term would you like established? <i>(Initial term plus any renewals)</i>		5 yr. term: Initial Yr. + Four 1 yr. OTR's
What allocation is requested on this new project? What is the basis of the allocation request? <i>(i.e. Vendor quote, market research, etc)</i> Please provide documentation if applicable.		Year 1: \$231,025 Total 5 years term: \$871,660 See attachment #2

Non-Competitive IT Project Review

What is your funding source(s) for this new project?		WASD Proprietary Revenues
Is this a grant funded project? If so, please provide grant documentation outlining the expiration date and requirements.	N	
What budget year is it scheduled for?		FY 16, 17, 18, 19 & 20
Is the allocation enterprise or department based?		Department

Scope Information:

<u>Questions:</u>	<u>Response:</u>	<u>Explanation:</u>
Please provide a high level overview as to the scope of this project. A defined scope of work is to be provided with your submission.		This is a request to purchase Pitney Bowes Group1 Software maintenance and support, professional services, training, licenses and upgrades, and miscellaneous new products and services. The County has been using this software as is an integral complement to the Customer Care and Billing system, to bill our customers, since 2001 and since 2011 under contract BW9439-4/15, which expires on 1/31/2016. This software performs the address validation for USPS handling by verifying, standardizing and correcting address elements and producing delivery point bar codes to enable pre-sorting for postal automation discounts. This software (DOC1) is used for bill composition of MDWASD's 2,260,000 bills that are printed and mailed annually.
What is your Project Timeline?		5 year term contract
What are the roles and responsibilities of the vendor?		Provide product support.
What are the roles and responsibilities of the County?		Maintain and run bill print jobs

Software Acquisitions:

<u>Questions:</u>	<u>Response:</u>	<u>Explanation:</u>
Is this a replacement of an existing software/system?	N/A	Legacy contract
Is the software perpetual? If so, please provide a copy of the license agreement with your submission.	Y	See attachment #3 (Agreement BW942904/15, Exhibit B – Original License Agreement)
Do you require professional services on the new contract? (<i>i.e. Training, custom programming, consulting</i>)	Y	Training and professional services for customizations such as Bill redesign and assistance during upgrades.

Non-Competitive IT Project Review

How is the software licensed? (i.e. Per User, Enterprise, Concurrent User, Site)		Per server
How many users?	N/A	Server (processor) based
Do you want/need the new contract to provide the option to purchase additional licenses or services during the term?	Y	
Do you require training for users on the new contract? How many users are to be trained? Levels?	Y	2 students (Designer Basic, Designer Advanced and DOC1 Post Composition Engine)
Where is the software hosted?		At ITD's WASD dedicated servers
Do you have a disaster recovery plan? If no, is the vendor required to provide collocation under the new contract?	Y	Part of ITD's recovery plan for all WASD dedicated servers and applications.
What are your long term plans with the system?		WASD expects to use this system at least 5 years
Do you have the source code?	N	
Would you like software escrow added to the new contract?	N	
What is the life expectancy of the software? What value does this project provide to your department?		WASD expects to use this software at least 5 years
Hardware Acquisitions:		
Questions:	Response:	Explanation:
Was maintenance and support included in the original contract? If not, why?	N/A	
Did it include assistance with transition to a new system?	N/A	
Is this product an integral part of the County / Department's technical infrastructure?	N/A	
What are the requirements for maintenance and support under the new contract?	N/A	
Will the vendor be required to come onto County property to provide technical support/assistance? If not, how will this be accomplished?	N/A	
What level of support is required by your Department under the new contract? (i.e. 24x7, onsite repair, parts, etc.)	N/A	

Non-Competitive IT Project Review

Does it perform system critical functions? If so, what?	N/A	
What would be the effect to the County if the maintenance / support services were not obtained?	N/A	
What other systems does the hardware integrate/interface with?	N/A	
Will the new contract require the vendor to maintain these integrations/interfaces with these systems also?	N/A	
What is the life expectancy of the hardware?	N/A	
What value does this project provide to your department?	N/A	
Do you need to have the ability in the new contract to purchase additional hardware components, parts, or services? If so, please provide a detailed explanation as to your Department's requirements.	N/A	



INTERNAL SERVICES DEPARTMENT
PROCUREMENT MANAGEMENT SERVICES

Justification/Input Document for Non-Competitive Acquisition

It is the policy of Miami-Dade County to consistently purchase goods and services using full and open competition. The citizens of Miami-Dade County are best served when we make sound business decisions based on competitive bids or proposals. Early acquisition planning that includes consultation with Internal Service Department's procurement staff can help avoid delays and facilitates effective market research. However, there may be instances when other than full and open competition may be justified. When a user department(s) determines that other than full and open competition is necessary or in the best interest of the County, appropriate justification for that course of action must be submitted to ISD for approval and execution in order to waive the competitive bid/proposal process.

Please provide the information requested below to support the need and feasibility for waiving the competitive bid/proposal process:

Department:	Miami-Dade Water and Sewer Department -- Pitney Bowes Grp1 Software Maintenance, Support, License and Miscellaneous Services		
Contact Person:	George M. Par	Phone Number:	786-552-8950
Requisition No.:		Estimated Value:	\$871,660.00
Proposed Vendor:	Pitney Bowes, Inc		
Previous Contract Number:	BW9439-4/15	Previous Contract Value:	\$891,000.00

Purpose of the Purchase

Please describe your minimum requirements and the benefits of making the acquisition.

This is a request to purchase Pitney Bowes Group1 Software maintenance and support, professional services, training, licenses and upgrades, and miscellaneous new products and services. The County used this software as an integral complement to the Customer Care and Billing system, to bill our customers, since 2001 and since 2011 under contract BW9439-4/15, which expires on 1/31/2016. This software performs the address validation for USPS handling by verifying, standardizing and correcting address elements and producing delivery point bar codes to enable pre-sorting for postal automation discounts. This software (DOC1) is used for bill composition of WASD's 2,260,000 bills that are printed and mailed annually.

Best Interest of the County / Uniqueness of Product

Please provide a detailed description as to why a waiver of formal bidding is in the County's best interest (e.g., product standardization, compatibility, proprietary access or distributorship, how vendor is uniquely qualified to provide the needed product or service, etc.). Please note that a lack of advance planning is not an acceptable justification for a non-competitive acquisition.

The Department has been using the Group1 products for 14 years. These products are licensed through Pitney Bowes/Group1 which is the only company that can provide technical assistance in its application and use. Pitney Bowes/Group1 is highly qualified to assist as they are designer, manufacturer and implementer of these products. They also ensure that their implementers are fully trained in the various uses of the products. The WASD customer bill must be accurate, easy to read and comprehend. In 2014, using this software, MDWASD sent 2,260,450 bills @ \$0.38, totaling \$858,971.00. At the First Class postage rate of \$.49, it would have cost \$1,107,620.00. By using Pitney Bowes Grp1 software, an annual cost avoidance of \$248,649.00 was realized.



INTERNAL SERVICES DEPARTMENT
PROCUREMENT MANAGEMENT SERVICES

Market Research

Please describe your market research and the results thereof. This should include a description of other, similar sources or products available in the market if any and why they are not acceptable.

Research on the Internet and trade publications does not show any companies other than Pitney Bowes Group1 that provide technical and application assistance for the Group1 products. The marketplace will be examined periodically to determine if there are other vendors that can perform this type of activity for the Group1 products.

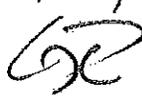
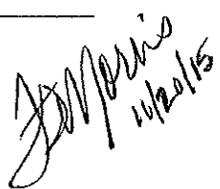
Proposed Actions

Please describe the actions the department will take to overcome the present barriers to competition prior to any future acquisitions of this product or service.

This is a very specialized market and having several vendors or companies with the knowledge to perform this work is desirable but highly unlikely. Due to the expertise needed and expense to train staff, Pitney Bowes is the only vendor in this market able to assist in the implementation and upgrade of their products. The Department has successfully used these products for over 14 years and wishes to continue using Pitney Bowes Grp1 software and related services, as required. The marketplace will be reviewed periodically for competitive purposes.


Department Director's Approval

11/20/15
Date Approved

  
11/20/15

 11/18/15

 11/18/15

Pitney Bowes Contract Calculations - FINAL - Oct-27-2015

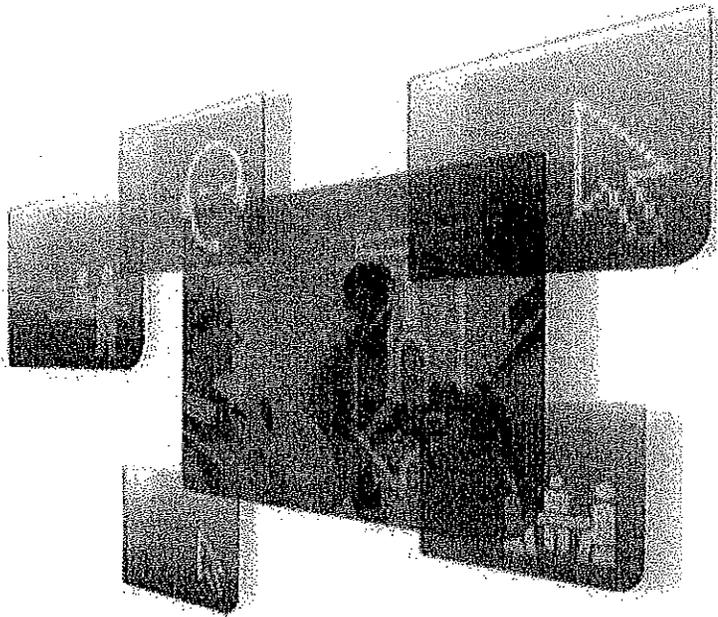
Maintenance and Support Services		
Current Software Description	Maintenance Term	Fees
1) Code-1 Plus	2/1/2016-1/31/2017	\$ 99,775.00
2) DOC1 Designer	2/1/2017-1/31/2018	\$ 103,765.00
3) DOC1 Generate	2/1/2018-1/31/2019	\$ 107,916.00
4) MailStream Plus	2/1/2019-1/31/2020	\$ 112,232.00
	2/1/2020-1/31/2021	\$ 116,722.00
Maintenance & Support Services Total		\$ 540,410.00

Professional Services		
On-going remote support and upgrades	Year 1 (200 hours @ \$250)	\$ 50,000.00
	Year 1 (Existing Bill Redesign)	\$ 66,250.00
	(265 hours @ \$250)	
	Year 1 Training	\$ 15,000.00
	Year 2 (200 hours @ \$250)	\$ 50,000.00
	Year 3 (200 hours @ \$250)	\$ 50,000.00
	Year 4 (200 hours @ \$250)	\$ 50,000.00
	Year 5 (200 hours @ \$250)	\$ 50,000.00
Professional Services Total		\$ 331,250.00

Total - Initial year + Four 1 year OTRs	\$ 871,660.00
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Pitney Bowes Software – Miami Dade Water New Contract Proposal

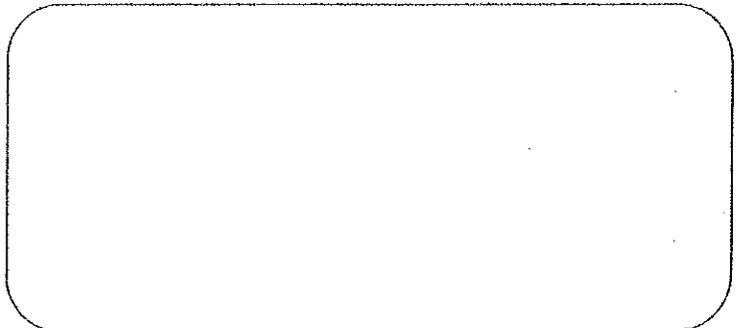


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Executive Summary

Pitney Bowes is working with Miami Dade Water to create a 5 year Contract that provides pricing for the following areas:

Contract Allocation Category	Fee
Maintenance & Support Services	\$ 540,410.00
Professional Services (Bill redesign + On-going + Training)	\$ 331,250.00
Total – Initial year + four 1-year OTRs	\$ 871,660.00

- It should be noted that MDW (WASD) should provide the ability to shift funds from one category to another as new requirements are defined.

Pitney Bowes is proud that MDW has been a customer for over 15 years and looks forward to working with MDW in the future.

Maintenance and Support Services

As MDW is looking to contract the maintenance and support services on a year by year renewal, Pitney Bowes is offering the following pricing to MDW:

Maintenance and Support Services		
Current Software Description	Maintenance Term	Fees
1) Code-1 Plus	2/1/2016-1/31/2017	\$ 99,775.00
2) DOC1 Designer	OTR 1	\$ 103,765.00
3) DOC1 Generate	OTR 2	\$ 107,916.00
4) MailStream Plus	OTR 3	\$ 112,232.00
	OTR 4	\$ 116,722.00
Maintenance & Support Services Total		\$ 540,410.00

Professional Services

MDW has asked that Pitney Bowes assist in the development of a new billing statement. As such, we've taken a look at the anticipated project and can provide the follow assistance:

- PBS will take a leadership role and develop and test the new water bill provided
- PBS will follow our standard methodology which begins with discovery sessions, formal documentation, development and testing
- PBS global resources will be leveraged
- PBS will also provide mentorship to Miami-Dade staff to ensure the bill can be managed easily after PBS resources exit
- PBS estimates this to take 6-8 weeks in duration

This is a time and material estimate based on a fully burdened rate (as shown below). The estimated cost for this project is \$66,250; however, there is no guarantee that all of these tasks will be accomplished in the amount of time and for the cost indicated above. Travel costs are included in the above estimate.

In addition, Pitney Bowes would like to offer the following rates to MDW for general projects and suggest that MDW budget additional monies on a yearly basis to allow for mentoring, support and upgrade assistance, included in which are a minimum 50 hours/year that MDW will be charged.

Professional Services Rates		
Burdened	\$265/Hr.	
Blended	\$200/Hr. (> 100 hours) and \$250/Hr. (<100 hours)	
Professional Services Project Costs		
Mentor, support and upgrades	Year 1 (250 hours @ \$200)	\$ 50,000.00
	Year 2 (250 hours @ \$200)	\$ 50,000.00
	Year 3 (250 hours @ \$200)	\$ 50,000.00
	Year 4 (250 hours @ \$200)	\$ 50,000.00
	Year 5 (250 hours @ \$200)	\$ 50,000.00
Professional Services for Bill Redesign	Year 1	\$ 66,250.00
	Total	\$ 316,250.00

Training

Pitney Bowes recommends to all its customers that they keep current via its training modules with the most recent versions of the software. Students can attend at a PB site, on-line with an instructor or with a class taught by PB trainers at MDW's site. These courses concentrate on the DOC1 Designer suite and introduces the DOC1 Generate Production environment. They cover all aspects of the DOC1 Designer from data and print stream manipulation to document logic control, and the use of fonts, images, overlays, lines, text, and boxes.

Below is the PB education guide:



PBSI_Education_Gui
deAUG2013(2).pdf

ONLINE OR AT PB SITE TRAINING

Training Module	Cost
Designer Basic	\$2,500/student
Designer Advanced	\$2,500/student
DOC1 Post Composition Engine (PCE)	\$2,500/student
Total: (a total of 6 courses – 2 students per course)	\$15,000.00 (Year 1)

ONSITE (AT MDW) TRAINING

Should MDW wish to have Pitney Bowes provide a course on site at MDW's facility, the costs will be \$12,500 per course and include all travel expenses. These courses provide room for up to 8 students at a time.

*The quote for PBSI solutions is not a not legally binding agreement or offer. The information contained in this quote is being provided and should be used for budgetary purposes only. Except for the pricing information which is valid until **December 31, 2015**, all terms provided in this quote are subject to revision at Pitney Bowes Software, Inc.'s sole discretion.*

Notes

- Pricing is per server. A server is defined as a single computer. A CPU is defined as a single core (for clarification - a dual core counts as two (2) processors, a quad core counts as four (4) processors)
- Unless otherwise identified, the Customer is responsible for all Travel and Living Expenses related to Mentoring Services and Training
- Annual Maintenance & Support Fees provide the licensee with unlimited technical support via phone or email during normal business hours
- Pricing for Annual Maintenance and Support Fees require that fees for both items are kept current
- Should MDW need professional service assistance (mentoring) from Pitney Bowes, those Services will be defined by a Statement of Work (SOW) or a Professional Services Agreement (PSA).
- Services provided are for planning and guidance to work side by side with PBSI Software Engineers and Consultants. There is no guarantee of completion of any specific task.
- PBSI Engineers and Consultants are not responsible for staging software prerequisites (i.e. OS, application server, database server).
- This document represents an estimate for Services; it is not a contract. If NCDOR agrees with the information contained, a formal Statement of Work ('SOW') will be drafted for signatures.