

Condensed Title:

Request For Approval To Award A Contract To Siemens Enterprise Communications, Inc. Pursuant To Invitation To Bid No. 28-10/11 For The Maintenance Of The Telecommunications Systems At Various City Facilities In The Annual Amount Of \$257,115.24.

Key Intended Outcome Supported:

Improve process through information technology

Supporting Data (Surveys, Environmental Scan, etc.):

N/A

Issue:

Shall the Commission Approve the Award of Contract?

Item Summary/Recommendation:

The purpose of the ITB is to establish a contract with a single qualified vendor for the maintenance of the telecommunications systems at various City of Miami Beach facilities, on an operational basis.

On November 15, 2010, ITB No. 02-10/11 was issued, and the Procurement Division e-mailed, as well as uploaded the ITB to BidSync.com and BidNet, sending notices to over 45 firms. This outreach resulted in the receipt of two (2) bids, one from Black Box Network Services, and the other from Siemens Enterprise Communications, Inc. Siemens bid submission was deemed non-responsive. The Bid submitted by Black Box was deemed responsive, and thus was the only Bid submitted subsequent to this ITB. However, it included an on-site technician, which added additional costs to their fees. The IT Department believed it was in the best interest of the City to reject the only Bid received, revise the specifications, and re-issue the solicitation. The City Manager exercised his authority to reject the proposal pursuant to Section 2-367(b)(1) of the City of Miami Beach Code.

ITB No. 28-10/11 was issued on May 11, 2011, with the minimally revised scope of services. On the due date of June 7, 2011, two (2) bids were once again received, one from Black Box Network Services, and the other from Siemens Enterprise Communications, Inc.

Both companies are well qualified to provide the services sought by the ITB and both Siemens and Black Box submitted Bids that were approximately \$100,000 lower than the amount currently paid for the services being contracted.

The lowest bid was received from Siemens Enterprise Communications, Inc.

Approve the Award of Contract.

Advisory Board Recommendation:

N/A

Financial Information:

Source of Funds:	Amount	Account	Approved
1	\$257,115.24	Contract Maintenance Communications Fund Account # 550-1750-000325	
Total	\$257,115.24		

Financial Impact Summary:

City Clerk's Office Legislative Tracking:

Gus Lopez, ext 6641

Sign-Offs:

Department Director	Assistant City Manager	City Manager
GG <i>[Signature]</i> for 66	PDW <i>[Signature]</i>	JMG <i>[Signature]</i>

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MIAMI BEACH

AGENDA ITEM C2E
DATE 7-13-11



MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139. www.miamibeachfl.gov

COMMISSION MEMORANDUM

TO: Mayor Matti Herrera Bower and Members of the City Commission

FROM: Jorge M. Gonzalez, City Manager

DATE: July 13, 2011

SUBJECT: **REQUEST FOR APPROVAL TO AWARD A CONTRACT TO SIEMENS ENTERPRISE COMMUNICATIONS, INC. PURSUANT TO INVITATION TO BID (ITB) NO. 28-10/11 FOR THE MAINTENANCE OF THE TELECOMMUNICATIONS SYSTEMS AT VARIOUS CITY FACILITIES, IN THE ANNUAL AMOUNT OF \$257,115.24.**

ADMINISTRATION RECOMMENDATION

Approve the Award of Contract.

BID AMOUNT AND FUNDING

\$257,115.24 Funding is available from Contract Maintenance Communications Fund
Account # 550-1750-000325

BACKGROUND

The purpose of the ITB is to establish a contract with a single qualified vendor for the maintenance of the telecommunications systems at various City of Miami Beach facilities, on an operational basis. The contract shall be in effect for three (3) years from the date of contract execution by the Mayor and City Clerk, and may be renewed by mutual agreement for three (3) additional one-year terms, on a year to year basis.

Bidders must provide a letter from Siemens indicating that they are authorized to provide software patches and hardware for all current releases, including the most current available software and hardware for the Siemens HiPath 4000 and Xpressions products. The maintenance solution in place now provides this ability, and any replacement solution should provide the same ability.

On November 15, 2010, ITB No. 02-10/11 was issued, and the Procurement Division e-mailed, as well as uploaded the ITB to BidSync.com and BidNet, sending notices to over 45 firms. This outreach resulted in the receipt of two (2) bids, one from Black Box Network Services, and the other from Siemens Enterprise Communications, Inc.

Both Black Box Network Services and Siemens Enterprise Communications are global companies and leaders in technology and communications solutions and provided bids that were approximately \$100,000 lower than the amount currently paid for the services being contracted.

The Bid submitted by Siemens took numerous exceptions to the City's terms and conditions, and was prefaced on "piggybacking" on a State of Florida contract, contrary to the terms of the ITB. Upon giving written notice that they must comply to the terms of

the Bid, Siemens agreed to not predicate "piggybacking", however they continued to take numerous exceptions to the terms of the City's bid document.

Following a meeting with the City Attorney, Procurement sent Siemens a letter indicating that if Siemens did not accept all of the City's requirements, the bid submitted shall be deemed non-responsive and will receive no further consideration.

Siemens countered in a letter that they will comply with all terms, except the insurance indemnity, which Siemens could not comply with. Siemens bid submission was subsequently deemed non-responsive.

The Bid submitted by Black Box was deemed responsive, and thus was the only Bid submitted subsequent to this ITB. However, it included an on-site technician, which added additional costs to their fees.

The Technical Requirements of the ITB specifications mandated that "repair and maintenance must be available 24 hours a day, 7 days a week." The requirements did not specify whether or not an on-site technician was required.

The Information Technology (IT) Department believed it was in the best interest of the City to reject the only Bid received, revise the specifications, and re-issue the solicitation.

As Black Box submitted the only responsive bid received as a result of the subject ITB, the City Manager exercised his authority to reject the proposal pursuant to Section 2-367(b)(1) of the City of Miami Beach Code:

"Where only one bid response is received, and/or the bid exceeds the budgeted amount, the city manager, without any action by the city commission, shall have the power to reject the bid and, if he determines that same is in the best interest of the city, re-advertise the item for bidding;"

ANALYSIS

The IT Department revised the scope of services to reflect that an on-site technician is not required pursuant to the requirements of the re-issuance of an ITB.

Invitation to Bid No. 28-10/11 was issued on May 11, 2011, with the minimally revised scope of services. The Procurement Division e-mailed, as well as uploaded the Bid to BidSync.com and BidNet, sending notifications to over 50 firms. A non-mandatory pre-bid meeting was held on May 19, 2011. On the due date of June 7, 2011, two (2) bids were once again received, one from Black Box Network Services, and the other from Siemens Enterprise Communications, Inc.

The bid submission from Siemens took exceptions to the terms and conditions of the ITB, and also indicated that they wanted mutuality of indemnification. The City Attorney's office opined that Siemens' exceptions were unacceptable, and the City as a matter of policy and as prohibited pursuant to Section 768.28, Florida Statutes, does not indemnify private parties; accordingly, there can be no mutuality of indemnification.

Procurement sent a letter to Siemens on June 29, 2011, requiring that they must state in writing whether they accept all terms and conditions of the bid requirements, otherwise

the Bid submitted shall be deemed non-responsive and will receive no further consideration.

On June 30, 2011, Procurement received written confirmation from Siemens that they will accept all terms and conditions of the Bid requirements.

Both companies are well qualified to provide the services sought by the ITB and, again, both Siemens and Black Box submitted Bids that were approximately \$100,000 lower than the amount currently paid for the services being contracted.

Black Box is the largest Siemens dealer in the United States and has many years of experience supporting Siemens and peripheral communication product lines.

Siemens, the City's current service provider for over 20 years, is a software and services company that provides Open Communications Solutions and OpenScale Services to globally and has over 400,000 maintenance contracts in place globally and 75% of all Global 500 companies as customers. The total six (6) year cost that was bid by Siemens Enterprise Communications is lower than that of Black Box Network Services by \$6,809.

CONCLUSION

Based on the analysis of the bids received, the Administration recommends that the City award a contract to Siemens Enterprise Communications, Inc. pursuant to Invitation to Bid (ITB) No. 28-10/11 for the Maintenance of the Telecommunications Systems Various City Facilities, in the Annual Amount of \$257,115.24.

BID TABULATION

	Siemens Enterprise Communications, Inc.	Black Box Network Services
Year 1 Cost	\$257,115.24	\$253,500.00
Year 2 Cost	\$257,115.24	\$253,500.00
Year 3 Cost	\$257,115.24	\$253,500.00
Year 4 Cost	\$257,115.24	\$263,000.00
Year 5 Cost	\$257,115.24	\$263,000.00
Year 6 Cost	\$257,115.24	\$263,000.00
Total 6 year Cost	\$1,542,691.44	\$1,549,500.00