

PURCHASING AGENT'S REPORT

MEMO FOR THE RECORD

DATE: July 8, 2010
TO: Brenda J. Billingsley, Director
Thru: John A. Kunzman, CPPO, Purchasing Manager, Purchasing Division
FROM: Leahann Licata, CPPB, Purchasing Agent III, Supervisor *to 7/8/10*
SUBJECT: **Sole Source, Sole Brand Procurement Request to negotiate directly with Accero, Inc., a successor-in-interest to Hewitt Associates, LLC, the previous successor-in-interest to Cyborg, Inc., for Payroll/Human Resources/Position Control System Software maintenance and support**

REFERENCE: Request to Negotiate ESTIMATED VALUE PER YEAR: \$145,928.00

USING DIVISION[S]: Enterprise Technology Services Division

DESCRIPTION: Payroll/Human Resources/Position Control System Software maintenance and support

ACTION: NUMBER OF VENDORS SOLICITED: N/A

NUMBER OF BIDS RECEIVED: N/A

AGENT ANALYSIS:

Enterprise Technology Services (ETS) is requesting to negotiate a Support and Maintenance Agreement Between **Accero, Inc., a successor-in-interest to Hewitt Associates, LLC**, the previous successor-in-interest to Cyborg, Inc., for Payroll/Human Resources/Position Control System Software maintenance and support.

On October 21, 1998 (Item No. 18), the Board approved a System Development Agreement, a Perpetual License Agreement and a Maintenance Agreement between Broward County and Cyborg Systems, Inc. for a Payroll/Human Resources/Position Control System as a result of a Request for Letters of Interest. The Final Acceptance of the Cyborg System – Migration to Live Production was documented on March 17, 1999. The initial term of the Maintenance Agreement was a period of 18 months, as per section 5.1 of the contract. The parties agree that the first full year of paid maintenance commenced on October 1, 2000. Following the initial term, five-years of annual maintenance were specified, as per section 5.3 of the contract. Section 5.4, of the contract, indicates that on the sixth Anniversary Date, the annual maintenance shall increase at a yearly rate of no more than five percent until the eleventh anniversary date. Accordingly, the final year of paid maintenance commences October 1, 2009 and shall terminate on September 30, 2010.

On August 14, 2009, the Director of Purchasing approved the First Amendment to the Software License and Maintenance Agreement between Broward County and Accero, Inc., for a platform license transfer from the current HP AIX platform (Old Platform) to the new HP Sun Solaris platform (New Platform).

The County is contemplating County-wide use of an Enterprise Resource Planning System (ERP). An ERP software application improves operational efficiency and productivity of business processes of the enterprise. In consideration of this possible new directive, ETS is requesting to negotiate a new Software License and Maintenance Agreement with Accero, Inc., for Cyborg Software support and maintenance for a one year period with four one-year renewal options. The County does not have any intention to commit on a long term basis with Accero, Inc. With Cyborg software controlling so many aspects of the County's needs, it is almost impossible to convert to alternative software applications. Switching to a new vendor would require significant cost and a minimum of eighteen months to convert over to new software applications. This software maintenance is proprietary to Accero and is not available through any other vendor and/or distributor. Continuing software maintenance and support is crucial to ensure Human Resources Management, Payroll Management, Local and Federal Regulations and Tax Services, Benefits Management and reporting is maintained for the County and the County's employees. This recommendation will allow time to determine the appropriate competitive procurement process to replace this software and evaluate what software applications will integrate well with an ERP system.

RECOMMENDATION

Recommend: ✓ Accero, Inc.

Reason(s):


The Purchasing Agent and Enterprise Technology Services have determined that the one reasonable sole source for this project is Accero, Inc.

PREPARED BY: Leahann Licata, CPPB, Purchasing Agent III, Supervisor

APPROVAL AUTHORITY

Recommend DISAPPROVE

Reason/suggested action (if disapproved):



Signature/Title
Brenda J. Billingsley

2/8/10

Date



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INTEROFFICE MEMORANDUM

Date: 02/05/2010
To: Brenda Billingsley, Director
Purchasing Division
Through: Jeff Mowry, CIO *J.M.*
Enterprise Technology Services
From: Elias Garcell, Application Services Director *EA*
Enterprise Technology Services
Re: SOLE SOURCE REQUEST: CYBORG MAINTENANCE AND SUPPORT

I have reviewed the following sole source justification and concur with subject request, fully understanding the implications of Section 839.22 of Florida Statutes:

- (2) "It is unlawful for a public servant, with corrupt intent to obtain a benefit for any person or to cause unlawful harm to another, to circumvent a competitive bidding process required by law or rule by using a sole source contract for commodities or services."
(5) "Any person who violates the section commits a felony of the second degree, punishable as provided in s. 775.082, s. 775.083, s. 775.084."

This memorandum is being submitted to request the sole source procurement with Accero, Inc. for the purchase of "Cyborg" software license maintenance and support in the amount of \$806,343.00. This request is for a period of one year and four optional one-year periods.

Accero is the only company that provides maintenance and support for the Cyborg software application. The current system maintenance contract with Accero for Cyborg, Broward Contract Number A00005, expires September 30, 2010. This sole source procurement would keep the County's payroll software up to date and allow time to determine the appropriate next steps of either going through a competitive bid process for a new system or continuing with the current vendor as a sole source provider. Maintenance on the existing system would be \$145,928.00 for the first year, with four optional annual renewals at a five-percent cap for a potential total of \$806,343.00.

The Cyborg software application provides Human Resources (HR) Management, Payroll Management, Local and Federal Regulations and Tax Service, Benefits Management and reporting for approximately 6,000 employees of Broward County. The payroll and HR functions are located in the Finance and Administration Department; however various payroll and HR related tasks are shared with the Budget Office. Time and attendance data collection is distributed to various County divisions and each division has a designated payroll liaison. The maintenance and support of these functions are critical to the management of employees of Broward County and maintained through Cyborg. Accero is the only company that provides maintenance and support for the Cyborg software application.

A quick market survey was conducted and found the following companies that provide Human Resources Management Software:

**Humanic Design
NuView Systems
PerfectSoftware
CGI Technology and Solutions**

The cost to replace the system with one of these companies would be approximately \$4,775,000.00 which would cover technical hardware foundation, third party software licenses, implementation costs, and a project completion of 18 months.

Due to the time constraints of the expiring contract, we respectfully request your concurrence on the approval so we may proceed with negotiations with Accero, Inc. Please contact Elias Garcell at (954) 357-6468 or via e-mail at egarcell@broward.org with any further questions.