file - IT Desktop Support

Desktop Support RFP....

Tommy Hoang

Sent: Thursday, February 10, 2011 2:54 PM

To: clay.jenkins@dallascounty.org; elba.garciadds@dallascounty.org; mcantrell@dallascounty.org; jprice@dallascounty.org; mdickey@dallascounty.org

Cc: dmartin@dallascounty.org; Tommy Hoang

Attachments: CyberDyne-LetterToCommissi~1.pdf (807 KB) ; CyberDyne-ComparisonOfCont~1.pdf (59 KB)

Date: 02-10-2011

From: CyberDyne Systems, Inc.

To: Judge and Commissioners:

It has come to our attention that there has been some controversy regarding the Best and Final Offer (BAFO) that CyberDyne submitted to Dallas County. We respectfully submit two documents for your review. The first is a direct rebuttal to allegations made with respect to our BAFO submittal. The second is a comparison between the Contract that we signed with Dallas County in 2007 and the BAFO that we submitted on February 3rd.

We respectfully ask that you review each document. We would like to schedule a meeting with each of you to discuss these issues.

Sincerely,

Tommy Hoang

VP CyberDyne Systems Inc.

2340 E. Trinity Mills Rd. #220

Carrollton, Tx.75006

Office: (888)571-0813

Mobile: (469)569-7463

Fax: (888)571-6371

Email:Thoang@cdats.com

2/11/11

GOVERNMENT EXHIBIT NO. 518

3:14-CR-293-M

DYNE
SYSTEMS

February 10, 2011

RE: **BAFO proposal for CyberDyne Systems Concerns**

To: Clay Jenkins, Dallas County Judge
CC: Maurine Dickey, Dallas County Commissioner District 1
Mike Cantrell, Dallas County Commissioner District 2
John Wiley Price, Dallas County Commissioner District 3
Dr. Elba Garcia, Dallas County Commissioner District 4
Darryl Martin, Dallas County Court Administrator

Dear Judge and Commissioners:

It has been brought to our attention that the Dallas County RFP Evaluation Committee doubts our BAFO price for the Desktop Support Contract. They said that we dropped our price by $2 Million dollars and they (the evaluation committee) feel that is **too much** and they have turned this over to legal for investigation!

We resent the implication of impropriety and offer this detailed breakdown of our proposal and BAFO since I doubt you will get this information from the evaluation committee.

Initial Proposal Costs - 9/30/10 Submission	$5,076,053 for 3 years
BAFO – Costs – 2/4/11 BAFO Submission	$4,100,124 for 3 years
	$ 975,929 savings over 3 years

Savings derived in the following manner which was clearly indicated in the BAFO.

1. Eliminated the monitoring software that was proposed
   Savings $100,000/year or **$300,000** over 3 years
2. Chose to absorb expenses (mileage, phone, parking) for employees
   Savings $ 83,550/year or **$250,650** over 3 years
3. Eliminated from contract VP level support replacing it with additional technical/asset management personnel
   Savings $ 19,415/year or **$ 58,246** over 3 years
4. Reduced COLA from 5% to 3% coming in line with County history
   Savings $ 165,955 for year 2 and $ 201,078 for year 3
   $ 367,033 over 3 years

Total Savings in BAFO **$ 975,929 over 3 years**

As you can see, there is **NOT** a price reduction of $2M and what is reduced is justifiable and appropriate for a Best and Final Offer (BAFO). We feel that our proposal is very competitive and complete. We have supported Dallas County for 12 years in various roles, first as a sub to ATOS, then as the prime starting in 2007. We have been there and we **KNOW** what to expect and what has to happen to support the County. We have never missed an SLA and have always gone above and beyond in our service to the County users. This can be attested to by multiple departments and many users.

While we are discussing this, I would like to bring to your attention some of the improprieties we have noted which are associated with this RFP.

1. CyberDyne had partnered with a company to submit the initial proposal. Our relationship with that company at the time was very good. On September 15th, just two weeks prior to the proposal submittal and after 6 weeks of hard work, the President of our partnering company told us that he was withdrawing from submitting a proposal with us. He had visited Dallas County with respect to another contract and while he was there, he was told that if his company teamed with CyberDyne, they would not win the desktop contract, and their other contract would also be in jeopardy. This was done two weeks prior to the County receiving any proposal information from anyone! Our partner withdrew due to the actions of someone in Dallas County. If the RFP process is fair and unbiased, how could a **THREAT** like that be made? It appears that a decision had already been made. We immediately sought another partner and feverishly completed the proposal. We submitted a very competitive proposal which saves the County over $1.31 Million in the first three years over the existing contract. That is a 24% savings from the contract in place in 2010. See attachments 2 (BAFO Costs table) and 3 (2007 Proposal Pricing Sheet) below.

2. On November 30th the Purchasing Department briefed the Court that four companies had received enough points to go to final consideration. CyberDyne was not one of the companies named. We accepted this and have been pursuing other opportunities since that time. Through actions by you in Commissioners Court on January 18th we learned that there had been an "error" in calculating scores and CyberDyne should have been included in the action of November 30th. It was only through intervention from you, the Court, which even allowed us to submit a BAFO. Attached is the email that we received on January 26th inviting us to submit a BAFO. It states that there was an "**ERROR**" that did not give us the points we deserved. In light of the "threat" that had been made earlier, was this an "error" or was it intentional?

3. Once we received the letter asking us to submit a BAFO, there were conflicting times on the documents. There were two submittal times indicated. We sent an email on the 26th requesting clarification (See attachment 1. We did not receive an answer. Was this an oversight or was it intentional so that if we delivered according to the later date we could be eliminated on a technicality. In order to completely eliminate this possibility, we delivered the BAFO the day prior to the deadline. We delivered the BAFO on Thursday the 3rd, the County was closed due to weather on Friday the 4th and on Tuesday the 6th the decision of the committee was presented to the Commissioners Court. Was the BAFO given serious consideration and the scoring modified appropriately?

4. Later on the 26th, we requested (via email - See attachment 1) details of the scoring error. That follow up email was also not answered. If there was confusion in our proposal, we needed to understand what needed to be clarified.

It seems obvious that there has been a concerted effort to keep CyberDyne out of the running for this contract. Slander of our corporate name as well as outright lies associated with our submittal is more than we as a reputable corporation can tolerate. For this purpose we have brought these items to your attention.

We respect and honor the Commissioners Court of Dallas County. After 12 years of unblemished service to the County, we cannot stand by and have our name impugned.

Sincerely,

Tommy Hoang
Vice President
CyberDyne Systems Inc.

Attachments 3

Attachment I:

From: Tommy Hoang
Sent: Wednesday, January 26, 2011 4:50PM
To: Linda Boles
Subject: RE: BAFO Questions and Responses to RFP 2010-090-5232

Good Afternoon Ms. Boles,

Can you please explain to us how was an error occur on the scoring for CyberDyne, also what was score wrong, in which catagory? How many other vendor were the error in scoring was made beside CyberDyne?

From: Tommy Hoang
Sent: Wednesday, January 26, 2011 4:42 PM
To: Linda Boles
Subject: RE: BAFO Questions and Responses to RFP 2010-090-5232

Good Afternoon Ms. Boles,

Thank You very much for your answer response. Your BAFO letter stated that the BAFO response is due on February 4, 2011 at 1:00PM Central time but below stated 1:30PM.

From: Linda Boles [Linda.Boles@dallascounty.org]
Sent: Wednesday, January 26, 2011 2:03 PM
To: Tommy Hoang
Subject: BAFO Questions and Responses to RFP 2010-090-5232

Good Afternoon Mr. Hoang,

Attached are the BAFO Questions and County's response to the questions you submitted. In addition and due to an error in the initial scoring process, the number of firms proceeding to Step 2 of the RFP process was expanded. As a result and to ensure that you receive all questions/responses, attached are questions and responses received with respect to the County's BAFO letter for the aforementioned solicitation. Please provide your BAFO response by the requested date/time outlined 1:30p m February 4, 2011

All other information, except for public briefings/court orders, has and will remain confidential until after a contract is awarded/executed

Linda S. Boles
Purchasing Agent
214-653-6580
fax: 214 653 7449
email: lboles@dallascounty.org

This message contains information which may be confidential and privileged. Unless you are the addressee, you may not use, copy or disclose to anyone the message or any information contained in the message. If you have receive the message in error, please advise the sender by reply e-mail and delete the message.

Attachment 2:
BAFO Cost Sheet showing year 1-3 costs (Annual Costs) extracted from BAFO submitted

Cost Comparison Scenario
CyberDyne Systems Inc.

Assumptions					
Initial Term	3 Years				
Extension Options	up to 2 one year terms				
PC's Maintained	5,500				
Printers Maintained	2,500				
Average Monthly Tickets	850				
Annual costs	Year 1	Year 2	Year 3	Year 4	Year 5
Base Monthly Services					
Desktop Support, Break/Fix, Asset Management/Receiving, Mgmnt					
Service Delivery Manager (1) - On-Site					
Desktop Support Technicians (12) - On-Site					
Break/Fix Support Technicians (2)					
Asset Management/Central Receiving Personnel (2)					
Service Coordinator (1)					
COLA of 3% shown in year 2 - 5					
Expenses					
Phone/Parking					
Mileage/Travel					
Insurance: Workers Comp., Liability, E&O					
Projected Annual Cost	$1,302,250	$1,341,317	$1,381,557	$1,423,004	$1,465,694
One Time Costs					
Transition	$75,000				
License/Other					
Annual Total	$1,377,250	$1,341,317	$1,381,557	$1,423,004	$1,465,694
Out Year Totals		3 Year Total	$4,100,124	5 Year Total	$6,988,822
Total FTE Assigned	18				
Hourly Rates for Out of Scope Work					
Desktop Engineer	$45				
Lead Desktop Engineer	$50				
Project Coordinator	$30				
Service Delivery Manager	$55				
Project Labor Out-of-Scope (Hourly)	$45				
Recovered PC's Imaged/Salvaged/Software Compliance	$45				
Process old terminals, printers for disposal (per device)	$10				
IMACs (per Hour) Business Hours/Off Hours	$45/$70				
Network Support Services (per Hour)	$95				
Server Support Services (per Hour)	$95				
Exceptions					
Logistical Services	TBD				
Off Hours Support					
Trip Charge	$40	Per Ticket			
Overtime	$97	Per Hour			
Holiday	$130	Per Hour			
CyberDyne Systems Receiving & Imaging Facility	No Cost				
CyberDyne Systems Warehouse - long term storage	$1	per carton per month for >90 days			
950 tickets per month - included in base price	$15	per ticket over 950/month - billed monthly			

Attachment 3:
2007 Contract Price Sheet – extracted from CyberDyne Contract with Dallas County

Price comparison is from the base cost of $1.72M and year three COLA for a total of $1.8M in 2010.

AGREEMENT BETWEEN DALLAS COUNTY AND CONTRACTOR FOR DESKTOP SUPPORT SERVICES

This Contract is entered into by and between Dallas County (hereinafter, "COUNTY"), a government entity formed and existing under the laws of the State of Texas, acting by and through the Dallas County Commissioners Court, and CyberDyne Systems, Inc. (hereinafter, "CONTRACTOR"), 2122 Country Club Drive, Suite 180, Carrollton, TX 75006, for the purpose of providing Desktop Support Services to Dallas County.

WITNESSETH:

WHEREAS, COUNTY seeks a Service Provider to provide Desktop Support Services; and

WHEREAS, CONTRACTOR has proposed and County has accepted CONTRACTOR'S offer to provide Desktop Support Services in response to County's Request for Proposal No. 2007-117-3023, issued in accordance with Chapter 262 of the Texas Local Government Code;

NOW, THEREFORE, COUNTY and CONTRACTOR, in consideration of the terms, covenants and conditions herein contained, do hereby contract as follows:

SECTION 1. SCOPE OF SERVICES

CONTRACTOR agrees to perform the services set forth in RFP No. 2007-117-3023, which is attached hereto and incorporated by reference as Exhibit A, and Contractor's Response to RFQ No. 2007-117-3023, which is attached hereto and incorporated by reference as Exhibit B.

Contractor shall provide certain applications, suites of tools, and other software as listed in CONTRACTOR'S Response to RFQ No. 2007-117-3023 (hereinafter "Software"), necessary to deliver the services under this Contract.

SECTION 2. ENGAGEMENT TERM

The initial term of this Contract is five (5) years, to commence on December 1, 2007 and extend through November 30, 2012 or five (5) years from the execution of this Contract by COUNTY.

SECTION 3. TERMS AND CONDITIONS OF PAYMENT:

COUNTY shall compensate CONTRACTOR as follows:

TRANSITION COST

The initial, all inclusive, one-time transition cost: **$100,000**

This one-time cost includes but is not limited to the transition efforts that occur over the first seven (7) days after contract award. The County agrees to provide their assigned/responsible deliverables as per a mutually agreed Implementation Project Plan.

INVENTORY COST

The CONTRACTOR's pricing for the initial, one-time asset inventory cost: **$95,000**

Included in this price is a server, software, barcode scanners and new Dallas County inventory labels that will be affixed to all inventoried equipment. The initial inventory will be completed on or before June 1, 2008 with reports and reconciled inventory being provided to Dallas County for review and approval. All subsequent asset inventories will be conducted at the CONTRACTOR's expense.

DESKTOP SUPPORT COSTS

The CONTRACTOR will provide Desktop Support to Dallas County in accordance with the response to the RFP and will invoice the County on or before the 10th of the month as follows:

- Base Fee: Monthly cost for technicians, management, expenses, insurance ($1,718,000/12) **$143,167**

  Desktop Support, Break/Fix, Asset Management/Receiving: **$1,718,000/year**
  - Desktop Support Technicians (15)
  - Break/Fix Support Technicians (3)
  - Asset Management/Central Receiving Personnel (3)
  - Service Coordinator (1)
  - Service Delivery Manager (1)
  - IT Director of Service (1)
  - Phone/Parking
  - Mileage/Travel
  - Insurance: Workers Comp., Liability, E&O

- Cost of Living Allowance (COLA): Monthly cost for year 3 ($85,900/12) **$7,084**
- Cost of Living Allowance (COLA): Monthly cost for year 4 ($90,195/12) **$7,517**
- Cost of Living Allowance (COLA): Monthly cost for year 5 ($94,703/12) **$7,892**
- Break Fix: **Cost +5%**

  All labor associated with break/fix is included in the annual cost mentioned above. The cost of parts to make repairs will be billed to the County at a cost plus 5% as noted in the RFP response. These expenses will be invoiced to the County in the month after the repair is completed.

- After Hours and Project (Out of Scope) Costs: All costs associated with Out of Scope services provided by the contractor will be billed at the following rates:

  a) Logistical Services (per Hour) Business Hours/Off Hours **$50.00/$75.00**
  b) Off Hours Support:

DYNE
SYSTEMS

February 10, 2011

RE: **Comparison for CyberDyne Contract signed in 2007 and 2011 BAFO**

To: Clay Jenkins, Dallas County Judge
CC: Maurine Dickey, Dallas County Commissioner District 1
Mike Cantrell, Dallas County Commissioner District 2
John Wiley Price, Dallas County Commissioner District 3
Dr. Elba Garcia, Dallas County Commissioner District 4
Darryl Martin, Dallas County Court Administrator

Dear Judge and Commissioners:

To bring more clarity and further understanding of the concerns over our Best and Final Offer (BAFO) we offer the following information.

According to the contract that was signed by Dallas County and CyberDyne in 2007 the following apply:

	2008	2009	2010
2007 Contract with CyberDyne	**24 FTE**		
	Year 1	Year 2	Year 3
Monthly Cost (excluding transition and Inventory)	$143,167	$143,167	$143,167
Transition Costs	$100,000	$0	$0
Inventory Costs	$95,000	$0	$0
Annual Cost	$1,718,000	$1,718,000	$1,718,000
COLA Increase			$85,900
Total	$1,913,000	$1,718,000	$1,803,900

Total Contract Costs for first 3 years **$5,434,900**

For this comparison, the baseline annual costs that we will use are the 2010 cost of **$1,803,900** and the three year cost of **$5,434,900**.

According to the BAFO that was submitted to Dallas County by CyberDyne on February 4th the following apply:

	2011	2012	2013
CyberDyne February 4th - BAFO	**18 FTE**		
	Year 1	Year 2	Year 3
Monthly Cost (excluding transition and Inventory)	$108,521	$111,776	$115,130
Transition Costs	$75,000	$0	$0
Inventory Costs	$0	$0	$0
	$1,302,250	$1,341,317	$1,381,557
	$1,377,250	$1,341,317	$1,381,557
		3 year costs	**$4,100,124**

Comparing the two tables, it translates into the following numbers:

Annual Cost Reductions over Contract (2010 COSTS)	$426,650	$462,583	$422,343
		3 year savings over existing contract	**$1,311,576**

The following shows how we get to those reductions:

Reduction in FTE Support from Original Contract	**6 FTE**		
Average burdened price of the 19 onsite people that currently service the County	**$51,806**		
Price Reduction due to eliminating management and support positions	$310,836	$320,161	$329,765
Absorbing contract expenses (parking, phone, etc.)	$115,815	$142,422	$92,578
		reduction in labor alone	**$960,762**
		Absorbing Contract expenses	**$350,814**
			$1,311,576

Even though we reduced the headcount by 6 people (from 24 to 18), we plan to honor the existing SLAs with the proposed headcount. With our working knowledge of the operation (supported it for the last 12 years), we know that we can reduce the costs and still provide the support that the County desires. This cost savings is real and the risk is minimal since we have a better understanding of what is required than any of our competitors. Our methodology is the same and in some places improved over what has existed since 2007. In addition, the age and condition of the supported equipment has improved since the original contract was signed. This translates into less time for each ticket.

As you can see from the numbers above, there is nothing devious or mysterious about our BAFO, we have chosen to share the risk with the County and absorb the overhead and expenses. The labor reduction is based on our analysis of 12 years of service. In 12 years, if you have never missed an SLA, you must be working with a cushion in your support labor. We feel that a reduction in labor will challenge us to work with a much smaller cushion, hence the shared risk. We are working hard to save the County money in light of the challenging financial environment that we share today.

In light of our aggressive proposal, our unblemished history with Dallas County and our detailed understanding of the requirements we do not see how our BAFO was not given serious consideration.

Sincerely,

Tommy Hoang
Vice President
CyberDyne Systems Inc.