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# ACTION

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| **Subject:** | **Approval of 2012 RFID Tenders** |
| **Prepared by:** **Improvement;** | **Craig Ginther, Manager, Innovation & Continuous** |
| | **A/Manager, Digital Services** **Jennifer Stirling, A/Division Manager, System-Wide Services & Innovation** |
| **Prepared for:** | **Ottawa Public Library Board** |
| **Meeting of:** | **April 16, 2012** |
| **Date of preparation:** | **April 12, 2012** |

## RECOMMENDATION

**That the Board approve the following contracts related to the implementation of RFID in 2012 totaling $1,141,011.81:**

1. **RFT Tender for $398,457.10 (including net HST taxes) to Bibliotheca ITG Inc. for the purchase of RFID tags**

2. **RFP Purchase of $603,009.67 (including net HST taxes) to Bibliotheca ITG Inc. for RFID tagging services**

3. **Purchase of $139,545.04 (including net HST taxes) for the following RFID equipment to be installed at the Hazeldean branch, obtained through the RFSO:**

   3.1. **$32,674.28 to SirsiDynix (Bibliotheca ITG Inc.) for  five employee stations and three customer self-service stations**

   3.2. **$12,798.60 to SirsiDynix (Bibliotheca ITG Inc.) for dual aisle security gates**

   3.3. **$94,072.16 to RFID Library Solutions, Inc. for a 3-bin sorting system and book returns**

**References**

- Doc 9, *Radio Frequency Identification Device (RFID) Plan*, OPL Board, October 17, 2011
  http://biblioottawalibrary.ca/sites/biblioottawalibrary.ca/files/Board_Docs/111017/Doc%209%20%20RFID%20Plan%20October%2017%202011.pdf
- Doc S1, *Tabling of Draft 2012 OPL Budget*, OPL Board, October 25, 2011
  http://biblioottawalibrary.ca/sites/biblioottawalibrary.ca/files/Board_Docs/111025/Doc%20S1%20Draft%20OPL%20budget%20Oct%202011%20DM%20MP%20EC.pdf
- Doc 2, *OPL 2012 Draft Budget*, OPL Board, November 14, 2011
  http://biblioottawalibrary.ca/sites/biblioottawalibrary.ca/files/Board_Docs/111114/Doc%202%20OPL%20Draft%202012%20Budget.pdf
- Doc 2, *2012-2015 OPL Strategic Plan*, OPL Board, December 12, 2011
  http://biblioottawalibrary.ca/sites/biblioottawalibrary.ca/files/Board_Docs/111212/Doc%202%202012-2015%20OPL%20Strategic%20Directions.pdf
- Doc 9, *RFID Update*, OPL Board, March 5, 2012
  http://biblioottawalibrary.ca/sites/biblioottawalibrary.ca/files/Board_Docs/120312/Doc%209%20%20RFID%20Update.pdf


**Background**

- RFID has been approved by the OPL Board as a key priority in the 2012-2015 Strategic Plan.

- RFID is a pillar in the 2012 OPL budget supporting fiscal sustainability through the implementation of technology. RFID will help address OPL's future growth needs, current and foreseeable financial conditions, and pressures associated with an aging work force.

- Tendering Process:  In alignment with the City's Procurement By-Law and working directly with the City's Supply Management branch, three separate competitive procurement processes were undertaken to support the RFID purchasing program.

**Procurement Overview**

1. **Request for Tender (RFT)** for purchase of RFID tags (to be placed on all existing OPL print and audiovisual materials, approximately 2.2 million items) closed on March 1, 2012. The RFT process awards the contract to the lowest responsive bidder who complied with the standards requested. Since tags had to be standards compliant, there wasn't a need for a detailed technical analysis review as a part of the bidding process. Eleven bids were received as follows:

| Biblioteca ITG Inc. | $390,050.84 + applicable HST |
| MK Sorting Systems Inc. | $417,130.00 + applicable HST |
| Sentry Technology Canada Inc. | $418,435.00 + applicable HST |
| Tech-Logic Corporation | $440,139.73 + applicable HST |
| 3M Canada Company | $447,487.29 + applicable HST |
| Identive Syscan | $450,750.00 + applicable HST |
| Falken Secure Networks Inc. | $483,600.00 + applicable HST |
| Rfid Canada | $506,435.45 + applicable HST |
| Libramation Inc. | $624,915.00 + applicable HST |
| Mocking Bird | $898,460.00 + applicable HST |
| The Quadrant Group | $1,300,300.00 + applicable HST |

Bibliotheca ITG Inc. was the lowest responsive bidder as follows:
- RFID tags      $390,950.84 (with Prompt Payment discount)
- HST (after rebate)  $7,506.26
  ***Total cost      $398,457.10***

2. **Request for Proposal (RFP)** for the purchase of tagging services to convert the Library's existing collection from barcode to RFID technology by affixing and encoding tags on all items, beginning with the Hazeldean branch in May 2012 and concluding with the conversion of the last branch on or before March 2013.

The Request for Proposal (RFP) process requires that bidders pass a technical analysis by receiving a minimum 70% score on technical requirements developed as a part of the bid process. Bidders who passed this threshold had their financial proposals opened and evaluated. In an RFP process contracts are awarded on the basis of "Best Value", which combines the bidder's ability to both meet the technical qualifications and their price proposal.

The RFP closed on March 1, 2012.  Three bids were received and evaluated, with Bibliotheca ITG Inc. being recommended for award of the contract based on Best Value. Bibliotheca ITG Inc. received the highest technical score and was the lowest responsive priced bidder as follows:

- Tagging services    $591,649.99 (with Prompt Payment discount)
- HST (after rebate)  $11,359.68
  ***Total cost      $603,009.67***

3. **Request for Standing Offer (RFSO)** for all RFID equipment required for all branches, beginning with the Hazeldean branch in 2012.

The Standing Offer will be in place for five (5) years, with the option to extend for up to another four (4) years.   This approach was chosen for the following reasons:

- The Standing Offer provides the Library with the ability to tailor equipment purchases to the technology from approved vendors that best suits the needs of individual branches without limiting the equipment to a single vendor.

- The Library will have the flexibility to choose best-of-breed equipment from any vendor on the Standing Offer without additional competitive processes, or request quotes from multiple vendors where desired.

The RFSO closed on March 13, 2012, with bids received by eight (8) vendors. Library staff performed a detailed evaluation of the capabilities of the proposed vendors and their equipment to pre-qualify vendors for future purchases. Vendors first had to pass a set of general requirements applicable to any RFID equipment (score a minimum of 70%), and then pass a series of technical evaluation questions (and score a minimum of 60%) for each of the categories of equipment they were bidding on for the Standing Offer.

The RFSO included the following equipment categories:  handheld inventory devices, conversion stations, employee stations and customer self-service stations, security gates, and sorting systems.

As a result of the consensus evaluations, the following vendors are on standing offer to supply RFID equipment to the Library, listed below in alphabetical order:


Category A – Handheld inventory devices
- 3M Canada Company (London, ON)
- Convergent Library Technologies (Barrie, ON)
- Sentry Technology Canada, Inc.  (Toronto, ON)
- SirsiDynix (Bibliotheca ITG) (Kitchener and Ottawa, ON)
- Tech-Logic Corporation  (White Bear Lake, MN)

Category B – Conversion stations
- 3M Canada Company  (London, ON)
- Convergent Library Technologies  (Barrie, ON)
- Sentry Technology Canada, Inc.  (Toronto, ON)
- SirsiDynix (Bibliotheca ITG)  (Kitchener and Ottawa, ON)

Category C – Employee and customer self-service stations
- 3M Canada Company  (London, ON)
- Convergent Library Technologies  (Barrie, ON)
- Sentry Technology Canada, Inc.  (Toronto, ON)
- SirsiDynix (Bibliotheca ITG) (Kitchener and Ottawa, ON)

Category D – Security gates
- 3M Canada Company  (London, ON)
- Convergent Library Technologies  (Barrie, ON)
- P.V. Supa, Inc.  (Plano, TX)
- Sentry Technology Canada, Inc.  (Toronto, ON)
- SirsiDynix (Bibliotheca ITG)  (Kitchener and Ottawa, ON)

Category E – Sorting systems
- 3M Canada Company  (London, ON)
- Convergent Library Technologies  (Barrie, ON)
- P.V. Supa, Inc.  (Plano, TX)
- RFID Library Solutions, Inc. (Minneapolis, MN)
- SirsiDynix (Bibliotheca ITG)  (Kitchener and Ottawa, ON)
- Tech-Logic Corporation  (White Bear Lake, MN)

**Recommendations for purchase of RFID equipment for the Hazeldean Branch**

- Required equipment for the Hazeldean branch includes employee workstations, customer self-service stations, security gates, and an automated materials handling (AMH)/sorting system.

- Price quotes were obtained from the vendors pre-qualified through the standing offer (RFSO) for required equipment and decisions were made based upon the  best combination of technical score, ability to meet timelines, suitability of the equipment for Hazeldean's physical space and overall costs.

### 3.1    Five employee stations and three customer self-service stations

Staff are recommending award of the contract to **SirsiDynix (Bibliotheca ITG Inc.)**, due to the best combination of technical score, ability to meet timelines, and overall costs (factoring in annual maintenance over the estimated lifespan of the equipment).

**SirsiDynix (Bibliotheca ITG Inc.)** - technical score 83.75%
- Total capital cost - $32,674.28 (including applicable taxes, delivery, installation & training)
- Annual maintenance (post warranty) - $3120.00
  *Total estimated cost over 7 years - $51,394.28*

Other Quotes

| Company | Capital Costs* | Annual Maintenance (post warranty) | Total Estimated Cost (7 years) | Technical Score |
|---|---|---|---|---|
| 3M Canada | $23,665.82 | $5002.00 | $53,677.82 | 76% |
| Convergent Library Technologies | $31,445.38 | $2778.00 | $48,113.38 | 76.5% |
| Sentry Technology Limited | $33,913.88 | $2807.00 | $50,755.88 | 72% |

*Capital costs include applicable taxes, delivery, installation and training

## 3.2 Dual aisle security gates

Staff are recommending award of the contract to **SirsiDynix (Bibliotheca ITG Inc.)**, due to the best combination of technical score, overall costs and ability to fit into existing configuration at the Hazeldean branch.

**SirsiDynix (Bibliotheca ITG Inc.)** – technical score 76%

- Total capital cost - $12,798.60 (including applicable taxes, delivery, installation & training)

Other Quotes

| Company | Capital Cost* | Technical Score |
|---|---|---|
| 3M Canada | $9,990.71 | 76.0% |
| Convergent Library Technologies | $18,117.30 | 64.5% |
| P.V. Supa, Inc. | $11,771.76 | 74.5% |
| Sentry Technology Limited | $12,734.90 | 71.0% |

*Capital costs include applicable taxes, delivery, installation and training

## 3.3 3-bin Sorting system and book returns

Staff are recommending award of the contract to **RFID Library Solutions, Inc.**, due to the best combination of technical score, ability to meet timelines, and overall costs (factoring in annual maintenance over the next 7 years).

**RFID Library Solutions, Inc.** – technical score 80.77%
- Total capital cost - $94,072.16 (including applicable taxes, delivery, installation & training)
- Annual maintenance (post warranty) - $10,000.00
  *Total estimated cost over 7 years - $154,072.16*

<u>Other Quotes</u>

| Company | Capital Cost* | Annual Maintenance (post warranty) | Total Estimated Cost (7 years) | Technical Score |
|---|---|---|---|---|
| 3M Canada | $131,476.80 | $15,480.00 | $224,356.80 | 72.3% |
| SirsiDynix (Bibliotheca ITG Inc.) | 90,867.03 | $5,515.50 | $123,960.03 | 75.0% |
| Convergent Library Technologies | $316,824.79 | $28,840.32 | $489,866.71 | 67.6% |
| P.V. Supa, Inc. | $136,644.14 | $10,615.60 | $200,337.74 | 81.2% |
| Tech-Logic Corporation | $195,065.58 | $8,050.00 | $243,365.58 | 71.5% |

*Capital costs include applicable taxes, delivery, installation and training

**Timing**

- Tagging of the existing collection is expected to begin in late May, as material is prepared for reshelving at the Hazeldean branch, and continue through the rest of 2012, concluding in mid-2013.
- Hazeldean equipment will be installed and fully functional by June 1, 2012.

**Conclusion**

The procurement of RFID goods and services described above is a key component of the system-wide implementation of RFID at the Ottawa Public Library, and will lay the groundwork for the success in the project in the years ahead. The OPL is seeking approval for the purchase of $1,141,011.81 of goods and services. There is $1.685M in the approved capital budget for RFID in 2012, plus an additional $95K through leveraging of the SOLS Capacity Grant. As the total project cost is within budgeted funds and is consistent with previously estimated costs for 2012, OPL and City of Ottawa staff are recommending that award of contracts be made as described above.

Sufficient funds are available for this project in the following capital account:

Library Internal Order # 906400 (IT RFID 2012)