



Report to: General Committee

Meeting Date: October 24, 2023

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**SUBJECT:** Markham Public Library Material and Processing Services  
**PREPARED BY:** Hassan Madar, Senior Buyer, Ext. 2177

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**RECOMMENDATION:**

- 1) That the report entitled “Markham Public Library Material and Processing Services” be received; and,
- 2) That the contract and Purchase Order (PB 23037 and GL account 076-6150-23203-005) in the amount of \$1,128,197.66 (Inclusive of HST) with Library Services Centre (LSC) for 2023 Markham Public Library Material and Processing Services be cancelled; and,
- 3) That the funds in the amount of \$150,640.00 and \$508,800.00 (Inclusive of HST) be re-allocated from PB 23037 and GL account 076-6150-23203-005 to the following two vendors for 2023 library material and processing services; and
  - a. Library Bound Inc. - \$150,640.00 (DVD, BluRay, Videogames)
  - b. Whitehots Inc. - \$508,800.00 (All print)
- 4) That the funds remaining in GL account 076-6150-23203-005 (\$1,128,197.66 - \$150,640.00 - \$508,800.00 = \$468,757.66) remain in the account for future digital collections and other collections and processing items in 2023/24; and
- 5) That the tendering process be waived in accordance with Purchasing By-Law 2017-8, Part II, Section 11 Non Competitive Procurement, (b) where there is only one source of supply for the goods to be purchased and (g) where it is in the City’s best interest not to solicit a competitive Bid;
- 6) AND THAT staff be authorized and directed to do all things necessary to give effect to this resolution.

**PURPOSE:**

The purpose of this report is to obtain approval to cancel the contract and Purchase Order (PB 23037) with Library Service Centre due to pending company closure and issue new Purchase Orders for the urgent library material to Library Bound Inc. and Whitehots Inc.

**BACKGROUND:**

In 2019, the City awarded a 5-year (2020 – 2024) contract to Library Services Centre for English and French Material, Multilingual Material, Customer Centered Classification.

In September 2023, the City of Markham was put on notice due to financial difficulties that Library Services Centre will be winding down their company and selling its assets on October 20, 2023. Due to this pending closure, the Library are still in need of urgent materials until the end of 2023. It should be noted; the City has not expended any funds to Library Services Centre without receiving materials in-return.

Since this is a niche market (Only 2 bids received in previous RFP), the City reached out to two (2) vendors in this field. Whitehots Inc. are able to support the City in the interim to provide the library materials required until the end of 2023 as they can perform all services, including cataloguing and processing. Unfortunately, while Library Bound Inc. is able to provide materials, they can only do so unprocessed as they have to scale up for the large amount of new business they have recently taken on and will only be ready to take on processing shelf ready materials in Q1 of 2024.

Since Whitehots Inc. do not do audiovisual materials, Library Bound Inc. have agreed to provide unprocessed audiovisual materials to the City during this period.

The plan moving forward is to issue a new RFP for Library Material and Processing Service to the market in October 2023 for 2024 and future year requirements.

### **FINANCIAL CONSIDERATIONS**

Recommended bidder	Library Services Centre (highest ranked/lowest priced bidder)	
Current budget available	\$1,128,197.66	Project #23203 – Library Collections
Less cost of award	\$ 150,640.00 <u>\$ 508,800.00</u> \$ 659,440.00	Library Bound Inc. Award Whitehots Inc. Award
Budget remaining after this award	\$ 468,757.66	

Library collections (Project #23203) is a capital project funded from the Life Cycle Replacement and Capital Reserve, with a 2023 annual budget of \$2,958,700. Based on amount spent to date, there is \$1,128,197.66 left in the budget, which once PO PB 23037 is cancelled, will be available to fund purchases through Library Bound Inc. and Whitehots Inc.

The remaining funds in Project #23203 (\$1,128,197.66 - \$150,640.00 - \$508,800.00 = \$468,757.66) will remain in the account for future digital collections and other collections and processing items in 2023/24.

There is no incremental Operating Budget impact associated with this request.

### **PEOPLE SERVICES CONSIDERATIONS**

Not applicable

### **ALIGNMENT WITH STRATEGIC PRIORITIES:**

This project aligns with the Integrated Leisure Master Plan (ILMP) for Parks, Recreation, Culture, and Libraries.

The Markham Public Library Material & Processing Program offers considerable value to the local community and the City as a whole. The Library offers a wide selection of material in many languages that provides ongoing value to the community.

**BUSINESS UNITS CONSULTED AND AFFECTED:**

Markham Public Library, Finance and Legal.

**RECOMMENDED BY:**

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Michelle Sawh  
Director, Administration

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Catherine Biss  
Chief Executive Officer, Markham Public Library