



Report to: General Committee

Date Report Authored: April 4, 2012

SUBJECT:	143-S-12 Purchase of 3M Equipment for Angus Glen and East Markham Libraries
PREPARED BY:	June Fry, Ext. 2539 Mohammed Hosseini-Ara, Ext. 5997 Rosemarie Patano, Ext. 2990

RECOMMENDATION:

- 1) That the Report entitled “143-S-12 Purchase of 3M Equipment for Angus Glen and East Markham Libraries” be received;
- 2) And That staff be authorized to award a contract to 3M Canada Company for one (1) FX 7-bin book sorter with patron and staff induction, for Angus Glen Community Branch (Infrastructure Project) in the amount of \$ 195,494 (including freight, installation and HST impacts);
- 3) And That staff be authorized to award a contract for 3M equipment for East Markham Branch for one (1) FX 11-bin book sorter with patron and staff induction, three (3) 896 RFID staff workstations, one (1) 803 Digital library assistant, three (3) 8410 self check no kiosk, one (1) 8420 self check with kiosk in the amount of \$365,857 (including freight, installation, first year warranty and HST impacts);
- 4) And That the tendering process be waived in accordance with Purchasing By-Law 2004-341, Part II, Section 7, Non Competitive Procurement, “Where there is only one source of supply for the goods to be purchased”;
- 5) And That the award for purchasing of equipment for the Angus Glen branch in the amount of \$195,494 be funded from the 2012 Capital Budget #049-5350-12103-005 Angus Glen 3M Smart Sorter;
- 6) And That the award for purchasing of equipment for East Markham Branch in the amount of \$365,857 be funded from the 2010 Capital Budget #070-5350-10559-005, East Markham Library (IT);
- 7) And That the annual maintenance cost of \$82,954 be charged to the ITS Computer Hardware Acct#400-404-5360 following the expiry of the one year warranty period (sometime in mid 2013), which will be addressed during the 2013 operating budget process.

And That Staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

To award the contract for the purchase of library equipment for Angus Glen and East Markham Libraries.

BACKGROUND:

Since 2001, library staff has sourced library equipment from 3M Canada Company on a yearly basis. In 2001 Library staff released a request for proposal (RFP) to five (5) potential proponents for the purchase and installation of material control systems and digital check-out /check-in equipment for the Unionville and Thornhill Community Libraries. Criteria included in the RFP were compatibility with current software and hardware; compatibility with tattle-tape security strips; efficiency with respect to inventory control and flexibility with respect to future technologies. Upon closing three (3) proponents' submitted a bid and two others were unable to meet the criteria identified in the bid document. The Markham Public Library Board approved the contract and awarded to 3M Canada Company.

In 2009, Town issued a request for quotation on behalf of the Markham Library for the provision of two (2) 7420 RFID/Barcode enabled self check units from 3M Canada Company for the Thornhill Community Library. The bid was released to the market and closed with only one (1) submission from 3M Canada Company. Of the proponents that picked up the bid document but did not submit a bid, it was advised either they could not supply the commodity or integrate with the current system, or one supplier advised that their library business was sold to 3M Canada Company and were unable to comply with the Town's requirements.

Based on the feedback received and further research undertaken, it was determined that 3M Canada Company was the only supplier that could supply compatible equipment that integrates seamlessly with the existing 3M hardware and software.

Some of the benefits of continuing to use 3M Canada Company equipment for self-service / RFID requirements for the library include;

- Full compatibility with existing hardware and software, including the Library's Integrated Library System.
- Consistency in provision of service and familiarity with use of the same equipment at all locations for both customers and staff.
- Switching to a different vendor is cost prohibitive as existing RFID tags, tattle tape and equipment would all have to be replaced.
- 3M equipment has proven to be reliable and user-friendly. In the occasional event of breakdown, service response both with respect to response time and problem resolution has been excellent to date

Note: At this moment there are no other providers that can supply equipment which is compatible with the tags and other equipment which are from 3M Canada Company.

the sorter room at the Angus Glen branch, it can only accommodate a 7-bin unit sorter. For East Markham Library the sorter room was designed to accommodate a 11-bin unit in order to achieve the optimal sorting capability.

There will also be an annual operating budget impact of \$82,954 to Computer Hardware Acct#400-404-5360 upon the expiry of the one year warranty period (sometime in mid 2013), which will be addressed during the 2013 operating budget process.

HUMAN RESOURCES CONSIDERATIONS

Not Applicable

ALIGNMENT WITH STRATEGIC PRIORITIES:

This project facilitates Growth Management by enabling the Library to effectively deal with increased public demand for services while containing operating costs. Circulation continues to increase each year as the general population grows and the public relies more heavily on public services. As described above, customer self-service technologies permit Library customers to both borrow and return materials directly themselves, requiring much less staff intervention. MPL has developed and maintains a lean staffing model as a result of the use of self-service technology, without this equipment there would be a substantial increase required in staffing to maintain service and operations. Some additional benefits of the newer equipment include processing speed and the provision of new features such as reviewing accounts, renewing collections and payment of fines. These features will result in an improved customer service experience and associated feedback. There will be less material handling by the MPL staff. The project promotes Municipal Services through ensuring the same level of service across the Town.

BUSINESS UNITS CONSULTED AND AFFECTED:

Markham Public Library
Information Technology Services, Client Delivery
Finance

RECOMMENDED BY:

10/05/2012

X 

Joel Lustig
Acting Corporate Services Commissioner

X 

Andy Taylor
Chief Administrative Officer

OPTIONS/ DISCUSSION:

The development of the East Markham Library provided the Town with the opportunity to apply the same customer service standards that are already in place at Thornhill Community Centre, Angus Glen, Markham Village, Milliken Mills and Unionville libraries. Library customers have readily embraced self-service technology in all MPL branches. Automated self check-in technology permits customers to return their own Library materials and receive a receipt confirmation of their returns.

This improves customer service through reduced wait times, as people no longer have to wait for staff to manually check in their materials. Circulation of materials has steadily increased over the last 5 years, while staff resourcing has remained unchanged. The self-service technologies enable the Library to maintain service standards while containing operating costs (cost avoidance of approximately 20 FTEs) in a context of increasing workload, material handling and public service demands.

Angus Glen Branch was the first MPL branch to deploy a bin sorter with patron induction. This obsolete 3-bin sorter does not provide the capacity that is needed for the high volume returns at the Angus Glen Branch. Replacing this unit with a large 7-bin sorter with patron and staff induction will improve customer service and staff efficiencies. The existing 3-bin sorter has reached its end of life after 7 years of service. The unit is no longer being produced and due to the high volume of use it is experiencing frequent breakdowns. Although the unit is covered under a maintenance contract it is becoming increasingly difficult to find replacement parts. There is no market for a used sorter of this vintage and hence it will be removed and disposed in accordance with environmentally responsible practices.

FINANCIAL CONSIDERATIONS AND TEMPLATE:

	Angus Glen 049-5350-12103-005	East Markham 070-5350-10559-005	Total
Original Budget	199,400	771,500	970,900
Current Budget Available	199,400	771,500	970,900
Less Cost of Award	(195,494)	(365,857)	(561,351) inclusive of HST impacts
Budget Remaining after this Award	3,906	405,643	409,549

* The remaining funds for Project#12103 Angus Glen Branch 3M Smart Sorter of \$3,906 will be returned to original funding source. The remaining funds for Project#10559 East Markham Library (IT) of \$405,643 will be spent on various expenses related to the East Markham Library FF&E.

The East Markham Library project contains funding for a 3M SmartCheck book sorter, 3 Staff Workstations and 4 new self-check units, all of which must be compatible with existing equipment and digital tags already in use at all Markham Public Library branches.

Capital Budget project # 12103 Angus Glen Branch 3M Smart Sorter" has an approved budget of \$199,400 to replace old 3M 3-bin sorter with patron induction with a 7-bin sorter with patron and staff induction. The standard for MPL based on number of branches, size of collections and volume of circulation is an 11-bin sorter, however due to space restrictions in