
**CITY OF TEMPE
REQUEST FOR COUNCIL ACTION****Council Meeting Date: 11/12/2015
Agenda Item: 5B1**

ACTION: Award a 20-month contract with five, one-year renewal options to mk Solutions, Inc. for the purchase and installation of a Radio Frequency Identification security system and an automated materials handling system for the Tempe Public Library.

FISCAL IMPACT: Total cost of this contract will not exceed \$324,786.45 during the initial 20-month contract period. Sufficient funds are available in General Fund cost centers 2440 (Library) and 2445 (Library Public Access Printing), and General Governmental Capital Improvement Project Fund cost center 670629 (Library Software Upgrade) for the anticipated expenditures.

RECOMMENDATION: Award the contract.

BACKGROUND INFORMATION: (RFP 15-035) The City issued a Request for Proposal (RFP) to establish a contract for the purchase and installation of a Radio Frequency Identification (RFID) security system and an automated materials handling system for the Tempe Public Library. The initial twenty (20)-month contract period accounts for the implementation of the system which is expected to take approximately eight (8) months followed by a one-year warranty period. Upon the expiration of the warranty period, the City may renew the agreement in annual increments not to exceed a total of five (5) years.

This award will dramatically improve the manner in which the Tempe Library manages its customer check out and return process as well as its media inventory management. Migrating from a simple barcode and electromagnetic strip security system to a full RFID system using chip technology will provide the following benefits:

For the Customer

- Ability to self check-out multiple items in more than one format (books, DVD's, CD's) all at the same time eliminating lines at the self-service kiosks; no need to scan individual barcodes.
- Ability to pay fines and fees at self-service kiosks.
- Instant check-in and printed receipt for materials returned in the book drop.
- Ability to check out new materials immediately (since returned items are checked in instantly).
- Fewer false alarms from the security gates, reducing the need to have materials checked by a staff member, since RFID tags are more accurate than security strips.

For the Library

- Automation of check-in tasks currently performed by staff, allowing staff to be reassigned to more direct customer service functions.
- Automation of fine and fee payment functions.
- Reduction of turn-around time from check-in to having an item returned to the shelf from up to 3 days to 1 day.
- Improved security for library materials due to the ability to tell instantly what specific item is being taken that has not been checked-out.
- Overall improved materials handling efficiency and accuracy without the need for additional staff.
- Improved technology for performing inventories of library collections.

Evaluation Process

To assist with the evaluation of offers, a committee was formed consisting of representatives from the Community Services and Internal Services Departments.

The City received four (4) proposals from the following firms:

- 3M Library Services
- Bibliotheca, LLC
- D-Tech International USA, LLC
- mk Solutions, Inc.

The four (4) offers were reviewed and scored by the evaluation committee in accordance with the criteria and weights published in the Request for Proposal that included:

Evaluation Criteria	Weight
Cost	31.92%
Ability to comply with specifications	21.27%
Firm's Experience and Qualifications	10.63%
Staff Experience and Qualifications	3.55%
Proposed System	4.96%
Software Implementation, Maintenance, Support, Warranty and Upgrades	3.55%
Financial and Legal	3.55%
Training and Documentation	3.55%
References	3.55%
Interview/Demo	6.37%
Acceptance and Compliance of RFP Terms and Conditions	4.97%
Overall response of RFP	2.13%
	100%

Initial Evaluation

The following abstract represents all firms' initial scores listed in rank order. As part of the initial evaluation the committee reviewed and scored each offer, completed reference checks, and conducted interviews and product demonstrations.

As an option, the City requested pricing for an automated materials handling system that would further improve operational efficiencies when paired with the RFID software solution. Initially, only the cost of the material handling equipment was requested as shown below.

Initial Evaluation Abstract

Offering Firm	Implementation and 5 Years Support Cost	Optional Equipment - Automated Materials Handling System	Total Cost	Initial Score
mk Solutions, Inc.	\$135,385.44	\$70,000.00	\$205,385.44	1,278.01
3M Library Services	\$166,002.68	\$58,890.00	\$224,892.68	1,217.54
D-Tech International USA, LLC	\$150,777.88	\$67,994.00	\$218,771.88	1,156.77
Bibliotheca, LLC	\$218,534.72	\$50,000.00	\$268,534.72	1,113.90

All firms were moved forward in the evaluation process for discussions and best and final offers.

Best and Final Evaluation

The committee continued to explore the automated materials handling system to fully identify any and all costs that would apply. Each firm was invited to perform a walk-through of the library in order to create a conceptual plan for the placement of the material handling system which includes both an exterior system for the drive-through book return and an interior system for walk-in book returns. Additionally, firms were directed to identify all hardware costs, implementation costs, and annual maintenance costs (5-years out) for the material handling system. Staff also determined it necessary to increase the number of staff work stations in order to ensure minimal customer wait times.

Once the committee was satisfied that all issues had been addressed, the firms were invited to submit best and final offers that included the clarifications as noted above. The results of the best and finals are shown below:

Best and Final Evaluation Abstract

Offering Firm	Implementation and 5 Years Annual Support Cost	Equipment -Automated Materials Handling System	Total Cost	Best and Final Score
mk Solutions, Inc.*	\$222,621.48	\$175,700.00	\$398,321.48	1,280.01
Bibliotheca, LLC	\$262,063.18	\$186,945.00	\$449,008.18	1,234.32
3M Library Services	\$273,066.53	\$203,771.00	\$476,837.53	1,226.45
D-Tech International USA, LLC	\$279,008.18	\$170,000.00	\$449,008.18	1,181.97

*mk Solution, Inc. included a two-year warranty with their best and final response, while the other firms offered the required one-year warranty.

After a thorough evaluation process, the committee is recommending that the contract be awarded to mk Solutions, Inc. the firm determined to have submitted the most advantageous offer. The committee believes that mk Solutions, Inc. has presented the offer that best blends quality, functionality, staff expertise, and importantly the lowest overall cost to achieve a high value solution for the City and its residents.

ATTACHMENTS: Vendor Response

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