

**Item No. 11.1.1**  
**Halifax Regional Council**  
**March 19, 2013**

**TO:** Mayor Savage and Members of Halifax Regional Council

Original Signed

**SUBMITTED BY:**

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Mike Labrecque, Acting Chief Administrative Officer

Original Signed

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Jane Fraser, Director, Planning and Infrastructure

**DATE:** November 22, 2012

**SUBJECT:** Award - RFP No. P12-066, RFID Tagging Services

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**ORIGIN**

Approved 2012/13 Project Budget

**LEGISLATIVE AUTHORITY**

Under the HRM Charter, Section 79, Halifax Regional Council may expend money for municipal purposes. Administrative Order #35, The Procurement Policy, requires Council to approve the award of contracts for sole sources exceeding \$50,000 or \$500,000 for Tenders and RFP's.

The following report conforms to the above Policy and Charter.

**RECOMMENDATION**

It is recommended that Halifax Regional Council award RFP No. P12-066, RFID and Tagging Services to the highest scoring proponent, Sirsi-Dynix, for a Total Price of \$1,235,598.80 (net HST included) with funding from Project No. CBX01275, as outlined in the Financial Implications section of this report.

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## **BACKGROUND**

Halifax Public Libraries will be implementing an RFID (Radio Frequency Identification) solution. Currently the Library uses old inflexible barcode technology. In contrast and unlike barcodes, RFID technology allows book tags to be read regardless of line of sight, orientation, or visibility. This allows for multiple items to be read (checked in and checked out) which will provide increased speed of service, enhanced efficiency, increased circulation through improved turnaround time thereby improving customer service.

RFID as a cost avoidance strategy will benefit the region by improving inventory management of the Library's 1 million item collection. Halifax Public Libraries is comprised of 14 branches. Each month 137,000 items are transported amongst all locations. Tagging this collection will provide faster access to the collection and maximize the use of self-checkout. In addition, the Central Library will cause a significant increase in circulation both in its catchment area as well as throughout HRM. With the current barcode environment it will be necessary to increase circulation staffing to manage transaction volume increases. This would result in additional net costs of approximately \$253,000 per year. Introducing an RFID environment will substantially reduce this cost to \$33,000 per year, which was factored into a draft staffing plan developed for the Central Library. This will provide a staff cost avoidance of \$220,000 per year and a return on investment (ROI) realized in six years. This level of benefit is comparable to other technology projects undertaken by the rest of the HRM organization.

Furthermore, the RFID project sets the framework for Automated Material Handling. The physical design of the Central Library and the circulation work areas were specifically designed to accommodate both RFID and Automated Material Handling.

## **DISCUSSION**

RFP No. P12-066, RFID and Tagging Services, was issued by invitation to qualified respondents to Request for Expressions of Interest No. E12-038, which was publicly advertised on the Province of Nova Scotia Public Tenders portal on May 18, 2012, and closed on May 30, 2012.

Two (2) responses were received for the RFP as follows:

- 3M
- Sirsi-Dynix

A team consisting of staff from the Halifax Public Libraries and facilitated by Procurement, evaluated the proposals based on the criteria listed in Appendix A, RFP Evaluation Criteria. The RFP was scored using a two envelope process. Envelope one was the technical component of the RFP and Envelope two consisted of the total project cost. Only those proponents that received 75% or better on the technical submission (maximum score 70 points) from envelope one had their cost submission envelope opened and evaluated. The 3M proposal failed to meet the pass/fail requirements and their cost proposal will be returned unopened.

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The final scoring of the remaining proposal is as follows:

• Proponent	Score (Max 100)
• Sirsi-Dynix	96

### **FINANCIAL IMPLICATIONS**

Based on the highest scoring proponent's cost proposal in the amount of \$1,184,817.52, plus net HST of \$50,781.28, for a total of \$1,235,598.80, funding is available in Project No. CBX01275. The budget availability has been confirmed by Finance.

**Budget Summary: Project No. CBX01275 – Electrical (Category 7)**

Cumulative Unspent Budget	\$1,708,969.03
Less: RFP #P12-066	<u>\$1,235,598.80 *</u>
Balance	\$ 473,370.23

\* This project was estimated in the Approved 2010/11 Project Budget at \$1,360,000

The balance of funds will be used for electrical upgrades at other HRM facilities.

### **COMMUNITY ENGAGEMENT**

Community consultation was not undertaken as this award is driven from the desire to improve customer service through the introduction of more efficient book handling.

### **ENVIRONMENTAL IMPLICATIONS**

There are no identified environmental implications.

### **ALTERNATIVES**

Council could choose to not award this tender. This is not the recommended course of action as we will not achieve the improved customer service through the installation of this technology.

### **ATTACHMENTS**

Appendix A – Evaluation Criteria

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A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/agenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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Financial Review: Original Signed  
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Jane Fraser, Director, Planning & Infrastructure (490-7166)

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**Appendix A  
Evaluation Criteria**

<b>Criteria</b>	<b>Summary (considerations may include but are not limited to the following)</b>	<b>Max</b>	<b>Sirsi Dynix</b>
Communication Skills	Clarity and readability of written proposal	5	5
Team composition and experience	Experience of individual team members with projects of similar scope and size Demonstrated history of proposed team in successfully completing projects of a similar nature on time and on budget (Client Contacts)	5	5
Understanding of HRM needs	Understanding of the requirements of the scope of work Acceptable proposed schedule and work plan Value added propositions and recommendations Attention to relevant challenges that the committee has not considered	30	28
Technical Solution	Solution addresses all technical aspects of the project as identified in the RFP including: tagging conversion, interface with existing systems and technical support. Solution draws on proven methodology Solution is flexible and scalable Solution is cost and time effective	25	24
Project Management Methodology	Management structure within Proponents organization/project team Proposed communication methods between proponent team and HRM Quality Assurance standards and practices including training plan	5	4
Subtotal (Technical Proposal)			66
Cost		30	30
Administrative and Legal Requirements	Based on level of risk identified in Stage 2 technical evaluation.	0	
		100	96 (\$1,235,598.80) Net HST inc.