


Item No. 11.1.1
Halifax Regional Council
September 10, 2013

TO: Mayor Savage and Members of Halifax Regional Council

Original signed by 

SUBMITTED BY:

Richard Butts, Chief Administrative Officer

Original Signed

Jane Fraser, Acting Deputy Chief Administrative Officer

DATE: August 9, 2013

SUBJECT: **Award - RFP No. P13-154, Automated Material Handling System for Halifax Public Libraries**

ORIGIN

Approved 2012/13 Project Budget, Supplemental Report, page A24 and the 2013/14 Project Budget, Supplemental Report, A24 (Buildings).

LEGISLATIVE AUTHORITY

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. P13-154, Automated Material Handling System for Halifax Public Libraries, to the highest scoring proponent, Tech-Logic in the amount of \$2,094,698.35 (net HST included) with funding from Project No. CBX01269 – Mechanical (Category 6), as outlined in the Financial Implications section of this report.

BACKGROUND

The Halifax Public Libraries currently processes approximately 1.9M item-transits each year and circulates over five million items throughout fourteen physical locations. Each of the in-transit items must be handled and sorted numerous times before being available to the public.

Item transits result from holds to be picked up at other branches, or returned items that belong to other branches. In the current process, items are manually sorted into bins. Depending on the space available at the originating branch, the composition of these bins could include:

- separate bins for holds and returns;
- mixed bins of holds and returns; and
- mixed bins for multiple locations that are manually sorted at Delivery Services for re-distribution to individual branches.

Once at the destination, these bins are opened and the items are manually checked in and sorted. This system is inefficient, labour intensive, and costly.

To meet the demands of an expanding system, Halifax Public Libraries (HRL) requires an automated materials handling system (AMH) which will work in conjunction with the Library's existing Integrated Library System (ILS), Sirsi-Dynix Horizon, and the Radio Frequency Identification system (RFID) currently being installed. The desired solution includes automated materials handling systems at selected HPL branches (Alderney Gate, Keshen-Goodman, Sackville and Woodlawn Libraries); sorting units at the new Central Library and at the Delivery Services Department at the Woodlawn location; and conveyance at the new Central Library.

The benefits of a system-wide AMH solution include:

- Improve customer experience by decreasing the length of time it takes for books and other materials to either get into the patrons' hands or to get back on the shelf.
- Reduced physical stress on circulation materials due to less frequent handling by staff.
- Reduction of approximately 7,000 staff hours per year through unattended movement of circulation materials throughout the system and reduced sorting time. This will allow for staff redeployment to other duties.
- 24 hour operations – items returned after normal hours will be sorted and ready for shelving when staff arrives in the morning.

DISCUSSION

RFP No. P13-154, Automated Material Handling System for Halifax Public Libraries, was publicly advertised on the Nova Scotia Public Tenders website and closed on March 29, 2013. Two responses were received as follows:

- Tech-Logic
- PV Supa

Proposals were reviewed by staff from Halifax Public Libraries and facilitated by Procurement, per the evaluation criteria as stated in Appendix A to the Request for Proposals (attached).

The RFP was scored using a two-envelope process. Envelope one was the technical component of the RFP and Envelope two consisted of the financial elements of the proposals. The proposal from PV Supa did not achieve the required minimum of 75% of technical score and their cost proposal will be returned unopened. Detailed scoring results for the remaining proponent as shown in Appendix A – RFP Evaluation Criteria are summarized as follows:

Firm	Score
Tech-Logic	97

This project will be delivered in a phased approach over the next three (3) years.

Phase 1 includes supply and installation of conveyance at the Central Library as well as supply and installation of an AMH solution in the Delivery Services Department to provide central sorting for the system.

Phase 2 will include the supply and installation of the AMH equipment at the Central Library prior to opening.

Phase 3 will include the supply and installation of AMH at Keshen -Goodman, Alderney Gate, Sackville, and Woodlawn.

FINANCIAL IMPLICATIONS

Based on Tech-Logic's cost proposal of \$2,008,609.35, plus net HST of \$86,089.00, for a total of \$2,094,698.35, funding is available from Project No. CBX01269 – Mechanical (Category 6). The budget availability has been confirmed by Finance.

Budget Summary:	<u>Project No. CBX01269 – Mechanical Category 6</u>
Cumulative Unspent Budget	\$ 3,942,634.13
Less: RFP # 13-154	<u>\$ 2,094,698.35</u> *
Balance	\$ 1,847,935.78

* This project was estimated in the Approved 2012/13 and 2013/14 Project Budgets at \$2,370,000.

The balance of funds will be used for state of good repair projects on other HRM facilities, as outlined in the approved project budget.

ENVIRONMENTAL IMPLICATIONS

None anticipated

ALTERNATIVES

Council could elect to award this project in three annual phases. This is not recommended as it may not take advantage of the efficiencies of scale incorporated in the Tech-Logic cost proposal and may result in the requirement to consider non-competitive costing of the second and third phases of the work, to ensure compatibility with the Halifax Central Library AMH solution.

ATTACHMENTS

Appendix A – Proposal Evaluation Criteria

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

Report Prepared by: Bruce Gorman, Director, Central Library & Regional Service (490-5762)

Report Approved by: _____
Terry Gallagher, Manager, Facility Development (476-4067)

Procurement Review: _____
Anne Feist, Manager, Procurement (490-4200)

Report Approved by: _____
Jane Fraser, Director, P&I (490-7166)

Original Signed

Appendix B - Evaluation Criteria

Criteria	Summary (considerations may include but are not limited to the following)	Score	Tech-Logic
Communication Skills	Clarity and readability of written proposal	2	2
Team composition and experience	Sector specific experience of the Proponent Firm Experience of individual team members with projects of similar scope and size Team members' appropriate skills and education Demonstrated history of proposed team in successfully completing projects of a similar nature on time and on budget Balance of level of effort vs. team roles (project mgmt., technical, etc..)	10	10
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	25	23
Technical Solution	Solution addresses all technical aspects of the project as identified in the RFP Solution draws on proven methodology Solution is flexible and scalable Solution is cost and time effective	28	27
Project Management Methodology	Management structure within Proponents organization/project team Proposed communication methods between proponent team and HRM Quality Assurance standards and practices	5	5
Subtotal (Technical Proposal)			67
Cost		30	30
Administrative and Legal Requirements	Based on level of risk identified in Stage 2 technical evaluation.	0	
		100	97
			\$2,094,698.35 Net HST incl.