



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Scott P. Johnson

SUBJECT: SEE BELOW

DATE: November 9, 2009

Approved

Date

11/18/09

**SUBJECT: REPORT ON BIDS FOR THE PURCHASE AND INSTALLATION OF AN
AUTOMATED CHECK-IN / SORTING SYSTEM FOR THE LIBRARY**

RECOMMENDATION

Report on bids and award the purchase of two (2) Automated Check-In and Sorting Systems (ACS) to the low bidder, Lyngsoe Systems, Inc. in an amount not to exceed \$539,422 that includes installation and all applicable sales taxes and authorize the Director of Finance to execute the Purchase Order.

OUTCOME

Reduce the time required to return library materials to the shelf for customers and eliminate repetitive tasks and lifting of heavy material for staff.

BACKGROUND

In July 2006, a Lyngsoe Systems automated check-in and sorting system (ACS) was installed at the Vineland Branch library. This purchase was funded by a Library Services and Technology Act (LSTA) grant. Findings from studies completed for the grant concluded that the automated system improves processes, customer satisfaction, and ergonomics.

ACS significantly decreases the time it takes for library materials to be returned to shelves. LSTA studies show that prior to the ACS installation, it took library items an average of 14-16 hours to be re-shelved. With ACS, time is reduced to between five and eight hours. The automated system functions when the library is closed. Therefore, morning, weekend and holiday backlogs are reduced. Library customers are pleased that the automated system clears their account immediately and that they receive a confirmation receipt that library items were returned. For library staff, there is less handling of library materials, providing a better ergonomic environment resulting in fewer staff injuries.

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The ACS system is planned for installation at two additional branch libraries: Evergreen and Santa Teresa. The Evergreen Branch opened in September 2006 and is the busiest branch in the library system, processing an average of 120,000 library items per month. Santa Teresa Branch is in the final stages of construction and is also anticipated to be extremely busy with an estimated circulation of 100,000 items per month. Installation of the ACS system at these two branches will improve service for library customers by automating and simplifying the return process.

ANALYSIS

On September 10, 2009, the Finance Department released a Request for Bid (RFB) through the City's e-procurement system. Fifteen companies viewed the bid documents, and three bids were received and publicly opened on September 30, 2009. All bids were responsive and are summarized in the following table:

Item Description	Lyngsoe Systems, Inc Frederick, MD	P.V. Supa LLC Plano, TX	MK Sorting Systems Bloomfield, CT
1. Automated Check-In and Sorting System (Santa Teresa Branch Library)	\$243,434	\$240,000	\$245,435
2. Installation Services	\$23,258	\$10,000	\$16,500
3. Automated Check-In and Sorting System (Evergreen Branch Library)	\$206,126	\$240,000	\$245,435
4. Installation Services	\$20,932	\$10,000	\$16,500
Subtotal	\$493,750	\$500,000	\$523,870
Estimated Sales Tax @ 9.25%	\$45,672	\$46,250	\$48,458
Local Business Preference (2.5% of subtotal)	\$0	\$0	\$0
Small Business Preference (2.5% of subtotal)	\$0	\$0	\$0
Bid Total:	\$539,422	\$546,250	\$572,328

Staff recommends award to Lyngsoe Systems Inc. as the lowest responsive bidder in accordance with the formal bidding procedures of the San José Municipal Code, Section 4.12.310.B.

This purchase is subject to the Prevailing Wage policy for the equipment installation.

EVALUATION AND FOLLOW-UP

This memorandum will not require any further follow-up from staff.

POLICY ALTERNATIVES

Not applicable.

PUBLIC OUTREACH/INTEREST



Criterion 1: Requires Council action on the use of public funds equal to \$1 million or greater; **(Required: Website Posting)**



Criterion 2: Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**



Criterion 3: Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This item does not meet any of the Criteria above, but this Council Memorandum will be posted on the December 1, 2009 Council Agenda.

COORDINATION

This memorandum has been coordinated with the Library Department, City Manager's Budget Office, Office of Equality Assurance, and the City Attorney's Office.

FISCAL/POLICY ALIGNMENT

This action is consistent with the following General Budget Principles, "We must focus on protecting our vital core city services for both the short- and long-term".

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT: \$539,422

Automated Check-in and Sorting Systems	\$449,560
Project Delivery	89,862
Total Project Costs:	\$539,422

OPERATING COSTS: The purchase and installation of check-in and sorting systems will not have a negative operating and maintenance impact on the General Fund, as these systems will allow staff at the branches to spend more time directly helping customers.



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BUDGET REFERENCE

The table below identifies the fund and appropriation proposed to fund the agreement recommended as part of this memo.

Fund #	Appn #	Appn. Name	Total Appn.	Amt. of Agreement	2009-2010 Adopted Budget (Page)	Last Budget Action (Date, Ord. No.)
Current Available Funding						
001	0722	Non-Personal/Equipment	\$4,933,213	\$77,717	Operating Budget, Page VIII - 168	06/23/09, 28593
393	4083	Automation Projects & System Maintenance	328,000	216,387	Capital Budget, Page V - 256	10/20/09, 28653
472	5158	Santa Teresa Branch	1,533,000	245,318	Capital Budget, Page V - 241	10/20/09, 28653
Total Funding for Project			\$6,794,213	\$539,422		

CEQA

Not a project.


 SCOTT P. JOHNSON
 Director, Finance

For questions please contact Mark Giovannetti, Purchasing Division Manager at (408) 535-7052.

