



APPENDIX B

Staff Report for City Manager Delegated Authority

Date of Meeting: December 19, 2022

Report Number: SRCFS.22.042

Department: Corporate and Financial Services

Division: Information Technology

**Subject: SRCFS.22.042 – Maintenance and Support
Services for Richmond Hill Public Library
Material Handling Solution**

Purpose:

The City of Richmond Hill Information Technology Division (IT) is seeking Council approval for a non-competitive acquisition greater than \$100,000, in accordance with Procurement By-law 113-16, as amended by By-law 141-20.

Recommendation(s):

- A) That the contract for the maintenance and support of the Richmond Hill Public Library ("Library") Material Handling Solution be awarded non-competitively to Bibliotheca Canada Inc. for a cost not exceeding \$445,711 (exclusive of taxes) for a term of three (3) years commencing January 1, 2023 to December 31, 2025 pursuant to Appendix "B" Part 1, Section (c) of the Procurement By-law No. 113-16 as amended by By-law 141-20 as the goods and/or services ensure that specialized products are maintained by the manufacturer.
- B) That the Commissioner Corporate and Financial Services be authorized to execute any and all necessary documentation to affect the contract during its term.

Contact Person:

Bankole Akingbade, Manager Application Services

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Report Approval:

Submitted by:



Rob Jones, Director Information Technology and Chief Information Officer

Approved by:



Sherry Adams, Commissioner Corporate and Financial Services

Approved by:



Darlene Joslin, City Manager

All reports are electronically reviewed and/or approved by the Division Director, Treasurer (as required), City Solicitor (as required), Commissioner, and City Manager. Details of the report approval are attached

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Background:

The Library's Material Handling solution is comprised of sorting and transportation equipment that form the backbone of the Library's day-to-day operations. The solution automates the process of dropping, separating, checking-in and shelving of items returned to the Library through an integrated set of hardware and software components.

The Material Handling Solution currently in use at the Library was developed, manufactured, and installed by Bibliotheca Canada Inc. and has served the Library very well. Assigning an alternate vendor to maintain a specialized system of this scope and scale will risk voiding existing manufacturer warranties and have a major organizational impact – creating disruption to operations, increased costs, and requiring significant effort and time from multiple divisions and departments.

Procurement By-law No. 113-16, Appendix "B", Part I - Sole Source Acquisition clause (c) stipulates that sole source acquisitions may be made:

- to ensure compatibility with existing products, to recognize exclusive rights such as patent, copyright or license, or to maintain specialized products that must be maintained by the manufacturer or its representative;

Staff are recommending that a contract for the support and maintenance of the Material Handling solution be awarded non-competitively pursuant to Appendix "B" Part I, Section (c) of the Procurement By-law No. 113-16 to Bibliotheca Canada Inc. to support business continuity and to maintain specialized products that must be maintained by the manufacturer, as Bibliotheca Canada Inc. is the equipment manufacturer and sole proprietor of the software.

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Financial/Staffing/Other Implications:

The total value of the approval is \$445,711 (exclusive of taxes) to include annual recurring maintenance and support fees until December 31, 2025.

The table below represents the planned expenditure (Canadian Dollars):

Material Handling Solution Planned Annual Expenditure

Item Name	2023 Cost Estimates	2024 Cost Estimates	2025 Cost Estimates
Main equipment - Software license, support and maintenance costs	\$76,875.54	\$76,875.54	\$76,875.54
Richmond Green Sorters – Software licenses, support and maintenance costs (pro-rated for 2023)	\$8839.24	\$35,068.74	\$35,068.74
Richvale Sorters – Software licenses, support and maintenance costs (pro-rated for 2023)	\$16,034.11	\$23,041.14	\$23,041.14
Central Expansion Sorters – Software licenses, support and maintenance costs (pro-rated for 2023)	\$15,388.10	\$17,662.44	\$17,662.44
Total Estimated Costs	\$117,137	\$152,648	\$160,280
Contingency for potential annual fee increases	0%	5%	5%
Total	\$117,137	\$160,280	\$168,294

Relationship to Council's Strategic Priorities 2020-2022:

Balancing Growth and Green – The solution allows the Library to automate the check-in mechanism hence reducing the time required for inventory tracking and an increase in tracking accuracy. It also permits the Library to re-shelve items returned using

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technology therefore allowing Library patrons to retrieve and check-out these items at enhanced speeds compared to manual processing.

Climate Change Considerations:

Climate change considerations are not applicable to this staff report.

Conclusion:

IT and Library staff recommend awarding the contract listed above to Bibliotheca Canada Inc. for the support and maintenance of the Material Handling Solution for a period of three (3) years ending December 31, 2025, and at a total estimated cost not exceeding \$445,711 (exclusive of taxes).