



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Julia H. Cooper

SUBJECT: SEE BELOW

DATE: January 2, 2019

Approved

D. D. SyL

Date

1/2/19

SUBJECT: FIRST AMENDMENT TO THE AGREEMENT WITH BIBLIOTHECA, LLC FOR A LIBRARY RADIO FREQUENCY IDENTIFICATION SYSTEM

RECOMMENDATION

Adopt a resolution authorizing the City Manager to:

- (a) Execute the First Amendment to the Agreement for a Library Radio Frequency Identification (RFID) System with Bibliotheca, LLC (Norcross, GA) to purchase additional RFID equipment and professional services to expand use at current and additional library locations and to increase the maximum compensation by \$84,875 for a total maximum contract compensation of \$3,235,878 for the initial five-year term ending on August 31, 2021; and
- (b) Increase contingency by \$300,000 for amendments and change orders for any additional unanticipated changes required during the initial five-year term, subject to the appropriation of funds.

OUTCOME

To increase staff productivity, reduce incidents of staff repetitive motion injuries, improve inventory accuracy, reduce material losses, and enhance customer service for library patrons.

BACKGROUND

A Library RFID System is used for library circulation operations and theft detection. RFID technology uses radio frequency and microchip technologies to detect and track library material.

On April 12, 2016,¹ Council authorized staff to execute an agreement with Bibliotheca, LLC (Bibliotheca) for the purchase of a Library RFID System solution, including hardware, software, equipment, related professional services, taxes, and maintenance and support. Bibliotheca was selected through a competitive Request for Proposal process pursuant to the City's procurement requirements.

The Library has been extremely satisfied with the system's performance for past 2+ years at the King Library and 23 branches locations and would like to further expand its use at the current locations as well as two new bridge branch libraries.

ANALYSIS

In 2016, the Library estimated the total compensation for the initial five-year term of the Agreement would be \$2,899,391 and allowed for a contingency of \$251,612. However, the contingency was fully utilized in Change Order #1 for additional RFID tags. Therefore, to continue system expansion, the Library requires additional funds.

Summary of Amendment: The proposed First Amendment includes the purchase of new RFID self-checkout machines, staff workstations, taxes, support, and maintenance to expand system use at current locations as well as two new bridge branch libraries.

EVALUATION AND FOLLOW-UP

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

PUBLIC OUTREACH

This memorandum will be posted on the City's website for the January 15, 2019 City Council meeting.

COORDINATION

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

¹ 2016 Council Memo: http://sanjose.granicus.com/MetaViewer.php?view_id=&event_id=2131&meta_id=566168.

COMMISSION RECOMMENDATION/INPUT

There is no commission recommendation or input associated with this action.

FISCAL/POLICY ALIGNMENT

This action is consistent with the Council-approved budget strategy for the effective use of technology.

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION: \$84,875

2. COST ELEMENTS:

First Amendment:

Hardware and Equipment	\$75,830
Maintenance and Technical Support	2,031
Estimated Sales Tax	7,014
Subtotal First Amendment	\$84,875
Original Agreement	2,899,391
Change Order #1	251,612
NEW CONTRACT NOT-TO-EXCEED TOTAL	\$3,235,878
Contingency Increase	300,000
TOTAL	\$3,535,878

3. SOURCE OF FUNDING:

Fund 393 – Construction Tax and Property Conveyance Tax: Library purposes

Fund 472 – Branch Libraries Bond Projects

4. FISCAL IMPACT: The additional RFID equipment purchased under the First Amendment will increase the ongoing annual maintenance and technical service support costs by approximately \$2,031 for the remainder of the initial term of this agreement. The Library Parcel Tax will fund the total ongoing annual maintenance and technical service support costs, which are as follows: approximately \$93,736 in Year 3, \$86,986 in Year 4, and increase to \$88,999 in Year 5.

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Subject: First Amendment to the Agreement for a Library RFID System

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BUDGET REFERENCE

The table below identifies the fund and appropriations to fund the contract recommended as part of this memo and remaining project costs, including project delivery, construction, and contingency costs.

Fund #	Appn #	Appn. Name	Total Appn	Amt. for Contract*	2018-2019 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No)
393	4706	General Equipment and Furnishings	\$643,000	\$28,087	V-243	10/16/2018 Ord. No. 30172
472	7175	Branch Efficiency Projects	\$612,000	\$56,788	V-249	10/16/2018, Ord. No. 30172

*Amt for Contract reflects funding for 2018-2019. Contingency is subject to the annual appropriation of funds.

CEQA

Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

/s/
JULIA H. COOPER
Director of Finance

For questions, please contact Jennifer Cheng, Deputy Director of Finance, at (408) 535-7059.