TO: HONORABLE CITY COUNCIL
FROM: CITY MANAGER DEPARTMENT: LIBRARY
DATE: JUNE 28, 2004 CMR:333:04

SUBJECT: AWARD OF CONTRACT IN THE AMOUNT OF $232,971 TO DYNIX CORPORATION FOR AN INTEGRATED LIBRARY SYSTEM – CAPITAL IMPROVEMENT PROJECT LI-94018

RECOMMENDATION
Staff recommends that Council:

1. Approve and authorize the Mayor to execute the attached contract with Dynix Corporation in the amount of $232,971 for an Integrated Library System and associated maintenance costs for two years.

2. Authorize the City Manager or his designate to exercise the option to continue the maintenance support agreement with Dynix Corporation for nine consecutive years, provided the quality of the vendor's service is acceptable during the first year of the contract.

DISCUSSION

Project Description
This project will replace the Library’s legacy integrated library system (ILS) used by the public and staff since 1985. An ILS is used to perform and manage most of the transactions and operations in the Library. In Palo Alto’s case, the current system handles checking out and checking in books and other materials; customer accounts and collections databases; processes associated with acquiring and cataloging items for the collection; the public catalog; statistics and reports; and many other functions.

The Library’s current ILS is based on older technology, operating mostly within a text-based user interface. While a web version of the public catalog was added a few years ago, it lacks the features currently available in most web-based catalogs set up as “portals” to a variety of information resources. These include book reviews, table of contents and cover images for the books in the library’s catalog; and the ability to
perform one search simultaneously across the Palo Alto’s catalog, catalogs from other libraries, and subscription databases.

A new ILS will also deliver improved applications for staff through the ability to multi-task across system components and to use web-based GUI tools and features. A newer hardware and database platform will enable improved reporting, statistical analysis, and interoperability with City systems.

The scope of work to be performed under the contract is for all hardware, software licenses and services necessary to perform the system requirements. See Attachment B for the complete scope of services. If this project is not undertaken, the Library will be severely limited in its ability to improve services to its customers.

Request for Proposal (RFP) Process

Summary of RFP Process

<table>
<thead>
<tr>
<th>Proposal Description/Number</th>
<th>Provision of an Integrated Library Computer System and Related Services, RFP No. 100940</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposed Length of Project</td>
<td>7 months to “go live” date</td>
</tr>
<tr>
<td>Number of Proposals Mailed</td>
<td>7</td>
</tr>
<tr>
<td>Total Days to Respond to Proposal</td>
<td>42</td>
</tr>
<tr>
<td>Pre-proposal Meeting Date</td>
<td>n/a</td>
</tr>
<tr>
<td>Number of Company Attendees at Pre-proposal Meeting</td>
<td>n/a</td>
</tr>
<tr>
<td>Number of Proposals Received:</td>
<td>3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Location (City, State)</th>
<th>Selected for oral interview?</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Dynix Corporation</td>
<td>Provo, Utah</td>
<td>Yes</td>
</tr>
<tr>
<td>2. Innovative Interfaces</td>
<td>Emeryville, CA</td>
<td>Yes</td>
</tr>
<tr>
<td>3. Sirsi Corporation</td>
<td>Huntsville, AL</td>
<td>No</td>
</tr>
</tbody>
</table>

Range of Proposal Amounts Submitted: $116,569-$256,667

An evaluation committee consisting of staff from the Library Department and the Information Technology Division carefully rated and ranked each firm’s proposal using evaluation criteria outlined in the RFP. The committee was aided by Patrick McClintock of RMG Consultants, Inc., hired by staff to assist in the preparation of the RFP, and in the selection process and contract negotiation.

The criteria used in the first phase of the evaluation process were: functionality of the software and hardware; performance characteristics and technical environment;
significance of deviations from requirements; performance in other locations; financial
stability, organization, staffing, and experience; proposal format and content; vendor’s
implementation plan; maintenance and support; and training. See Attachment C for the
weights assigned to the summary categories of all evaluation criteria in the selection
process. The two highest ranked vendors were each sent a Request for Clarification on
December 15, 2003 and given 44 days to respond.

The two top-rated vendors were invited to participate in oral interviews and product
demonstrations in January 2004. Members of the evaluation committee and many
members of the Library staff participated in the vendor demonstrations, as did
representatives of the Library Advisory Commission and the Board of Directors of the
Friends of the Library. Following the presentations, Requests for Further Clarification
were sent to the two vendors. These responses were evaluated, and the evaluation
committee then completed the evaluation of the vendors based on a final ranking which
included the two criteria of overall suitability and cost.

Dynix was selected as the successful vendor because it best met the evaluation criteria.
Factors that determined Dynix’s top rating on the criterion of “overall suitability”
included its leadership in the Library automation marketplace, proven track record of
performance, including its existing installation at the Palo Alto City Library, and the
ability to successfully migrate existing data to the new system. Additionally, IT Division
staff determined that the hardware platform proposed by Dynix was more in conformance
with the City’s standard than that proposed by the other vendor.

The RFP process allows the City to negotiate the price of the work upon selection of the
successful firm. During the negotiation process, a 5% discount for pre-payment for two
years of annual maintenance on the software and hardware was secured. Therefore, the
total contract price consists of $176,975 for Dynix software, hardware, and three years of
associated software to enhance the public catalog plus $55,996 for two years of annual
maintenance beyond the first year, which is covered under warranty.

Staff, with the concurrence of the City Attorney, has determined that the firm is exempt
from complying with the financial disclosure provisions of the City's conflict of interest
code, because the firm's range of duties and services to be provided under the contract are
limited in scope or are primarily ministerial in nature.

**RESOURCE IMPACT**
Funds for this project are available in Capital Improvement Project LI-94018.

After the conclusion of the warranty period and the two years of pre-paid maintenance,
the ongoing maintenance costs will be absorbed into the Library’s annual operating
budget.
POLICY IMPLICATIONS
This recommendation does not represent any change to existing City policies. The recommendation that the City Manager be authorized to exercise an option to continue the maintenance support agreement for nine consecutive years follows the precedent set when the contract with SAP, Inc. for the Enterprise Resource Planning system was approved by Council.

TIMELINE
Initial work on this project will begin in September 2004, with data and transaction migration scheduled for January 2005. Cutover to the new system and use by library staff and customers is slated to happen by February 2005.

ENVIRONMENTAL REVIEW
Not applicable.

ATTACHMENTS
Attachment A: Contract
Attachment B: Scope of Services
Attachment C: Summary of Evaluation Criteria
Attachment D: Certificate of Non-Discrimination

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