



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: December 11, 2012

TO: Mayor and Councilmembers

FROM: Administration, Library Department

SUBJECT: Increase to Contract for Self-Check/Radio Frequency Identification System

RECOMMENDATION: That Council:

- A. Authorize the Library Director to increase the contract with Bibliotheca in the amount of \$149,794.38 to trade-up nine self-check kiosks to models with significantly improved design and functionality, and purchase 9 additional staff stations;
- B. Authorize the Library Director to approve additional services that may be identified during the contract in an amount not to exceed \$14,900;
- C. Authorize the Library Director to negotiate and execute an amendment to the contract with Bibliotheca in a form acceptable to the City Attorney and an amount not to exceed \$164,694.38;
- D. Appropriate \$113,219.90 in the Fiscal Year 2013 Library Department, General Fund, operating budget funded from a transfer from the Miscellaneous Library Trust Account for the improved self-check kiosks with improved functionality, and additional staff stations at the Central and Eastside Libraries; and
- E. Appropriate \$51,474.48 from the County Library Reserve Fund for the same system at the Goleta Valley Branch Library.

DISCUSSION:

In November 2010 City Council approved a contract in the amount of \$249,634.75 with Bibliotheca RFID Library Systems to design and install a Radio Frequency Identification (RFID) self check and collection security system. The project suffered numerous delays due to the buyout of the company by another, and a two-month delay in the receipt of electronic parts for the system caused by the 2011 earthquake and tsunami in Japan. Full implementation has not occurred to date.

The RFID security system element of the project was implemented successfully and functions well with respect to loss prevention and the management of inventory. The

self-check kiosks have been in operation since December 2011 with nearly 75% of the transactions at the Central and Eastside libraries performed by users rather than staff members and nearly 60% at the Goleta Library. The efficiencies realized by the kiosks allowed the Central and Eastside Libraries to re-open on Mondays at a reduced cost.

However, the credit card payment system required in the contract has not been implemented and the Library Department has withheld 33% of the full payment amount. Until August 2012, when the company once again changed hands, the Library department was in negotiation with Bibliotheca-ITG over their inability to comply with credit card security requirements, specifically certification for the Payment Application Data Security Standard 2.0 (PA-DSS), thus preventing the Library department from implementing one of the critical features of the self-check kiosks.

The President of Bibliotheca North America proposed a solution that does meet the required certification. This payment system is more robust than the system that was to originally be supplied. Bibliotheca has agreed to provide and install the Comprise SmartPay System on each of the 9 kiosks at no cost. For the payment system to work, the library will need to upgrade to the next generation self-check software at a cost of \$2,500 per kiosk, a discount from the list price of \$4,995.

The President of Bibliotheca North America acknowledged the difficulties the Library has experienced in implementing the new RFID/self-check systems, including the credit card payment issue, the length of time and difficulty in getting the self-check kiosks to perform at the level required for acceptance, and the problematic results of merging ITG software with Bibliotheca hardware. Bibliotheca has offered to replace the current model of kiosks, now nearly three years old, with a newer and more sophisticated model. The offer includes replacement of the four kiosks at the Central Library at no charge and a 60% trade-in credit for the five remaining kiosks at the Eastside and Goleta Libraries.

These new kiosks have the following features:

- Acceptance of bill and coin payments
- Ability to link to library's event calendar and suggest upcoming programs to patrons as they check out their materials
- Ability to link to the NoveList[®] literature product to make book recommendations based on what the user is checking out

The addition of a high-grade bill and coin payment system is expected to further reduce the percentage of staff-assisted transactions, realizing additional salary savings.

In addition, Bibliotheca will provide the following enhancements at a reduced or no cost:

- Free remote access management software for performing maintenance, changes to the setup, and retrieval of usage statistics (\$4,200 value)
- One year of maintenance at no charge (\$11,181 value)
- Payment of 50% of shipping costs

Because of the significant improvements in design and functionality provided by these kiosks, the desire to provide consistency of service at the various sites and the ease of service and maintenance, the Library Department proposes replacing all 9 kiosks at the three Libraries.

When the system was installed, the Library Department recognized a need for an additional kiosk at the Eastside Library and nine additional staff stations at the three libraries. The cost is for adding these is \$27,476.56.

BUDGET/FINANCIAL INFORMATION:

The total cost of the requested changes to the contract, excluding extra services that may be needed, is \$149,794. The following table includes the breakdown:

	Central Library	Eastside Library	Goleta Library	Totals
SmartServe 400 Kiosk w/ upgraded software	\$55,980.00	\$27,990.00	\$41,985.00	\$125,955.00
Credit Return	-\$35,348.00	-\$17,674.00	-\$26,511.00	-79,533.00
Coin & Bill Payment w/ housing unit	\$25,940.00	\$12,970.00	\$19,455.00	\$58,365.00
Add'l SmartStation 200	\$7,975.00	\$1,595.00	\$4,785.00	\$14,355.00
Additional Kiosk		\$11,020.00		\$11,020.00
Tax & Shipping	\$8,336.86	\$4,435.04	\$6,860.48	
	\$62,883.86	\$40,336.04	\$46,574.48	

The additional appropriations needed to complete and provide significant enhancements to the project, including the \$14,900 in extra services that may be needed, are:

- \$113,219.90 from the Library Miscellaneous Trust Account to acquire the improved kiosks and functionality for the Central Library and Eastside Branch Library, purchase a second kiosk for the Eastside Branch and to purchase nine additional staff stations
- \$51,474.48 from the County Library Fund reserves to acquire the improved kiosks and functionality and to purchase additional staff stations for the Goleta Branch Library

PREPARED BY: Scott Love, Library Services Manager

SUBMITTED BY: Irene Macias, Library Director

APPROVED BY: City Administrator's Office