

RFP for RFID Tags – Award of Contract

Date:	July 26, 2011
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

To request Toronto Public Library Board approval to award the contract for purchase of RFID tags to two vendors, RFID Canada and Smartag as per the Toronto Public Library's request for proposal (RFP) for RFID tags.

It is recommended that the contract for RFID Tags for the Toronto Public Library be awarded to RFID Canada for RFID tags for audio-visual material and Smartag for RFID tags for print material. This provides the best combination of price and performance. The award is for a three-year period, July 1, 2011 to July 1, 2014, subject to satisfactory performance.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. awards the contract to RFID Canada for the purchase of RFID AV tags for a three-year period, at a cost of approximately \$146,600 per year for a total cost of \$439,800 over three years [excluding Harmonized Sales Tax (HST)];
2. awards the contract to Smartag for the purchase of RFID book tags for a three-year period, at a cost of approximately \$232,100 per year for a total cost of \$696,300 over three years [excluding Harmonized Sales Tax (HST)];
3. authorizes Library staff to purchase additional RFID tags, if needed and subject to budget availability; and under the same pricing as in the original award; and
4. authorizes and directs the appropriate Library staff to take the necessary action to give effect thereto.

FINANCIAL IMPACT

The award of this contract to RFID Canada for \$146,600 and Smartag for \$232,100 in the first year for a total of \$378,700 is within the current operating budget allocated for the purchase of these supplies.

The total cost of the award is \$1.136M over three years.

The Director, Finance and Treasurer has reviewed this financial impact statement and is in agreement with it.

ISSUE BACKGROUND

At present, RFID Canada supplies Toronto Public Library with RFID tags for print and audio-visual material. This vendor was selected through an RFP process conducted in 2009.

The manufacturing of RFID tags has changed over time and new products have emerged. The RFP process allows TPL the opportunity to stay current with RFID tag technology. Tags purchased through this RFP process are aluminum, readily available, manufactured with a more environmentally-friendly process and offer improved performance and price over tags purchased in the past.

COMMENTS

On March 21, 2011, the Library issued a public RFP for RFID tags. Six proponents submitted proposals and were reviewed according to the criteria listed in the RFP. Tags from two short-listed vendors were tested by staff for compatibility and performance with current systems and equipment. A technical expert was engaged to conduct lab testing of the samples of RFID tags in order to provide additional information to the staff evaluations.

The two vendors recommended are RFID Canada for AV tags and Smartag for book tags. The recommendation of the split award gives the best combination of performance and price for RFID tags.

Evaluation and scoring of proposal content and testing did not reveal major differences between the two short-listed vendors' products. Test results from the technical expert were positive. Both vendors' tags performed within acceptable limits for read range, climatic cycling tests, and "wear" tests. Given the comparability in performance, price became the deciding factor in recommending the award of the book tags contract to Smartag and the AV tags contract to RFID Canada.

The award is for a three-year period: July 1, 2011 to June 30, 2012 at a cost of \$378,700; July 1, 2012 to June 30, 2013 at a cost of \$378,700 and July 1, 2013 to June 30, 2014 at a cost of \$378,700. Purchases in 2012 and 2013 are subject to satisfactory performance. Yearly costs are based on current projections for volume of tags needed.

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SIGNATURE

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