



AGENDA REPORT

Meeting Date: June 19, 2012
Item Number: G-10
To: Honorable Mayor & City Council
From: Nancy Hunt-Coffey, Assistant Director of Community Services
Subject: AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND 3M CORPORATION FOR PURCHASE AND INSTALLATION OF AN RFID LIBRARY SYSTEM AND AN AUTOMATED MATERIALS HANDLING SYSTEM IN AN AMOUNT NOT TO EXCEED \$305,825.13; AND

AUTHORIZE A PURCHASE ORDER IN THE AMOUNT OF \$305,825.13 TO 3M CORPORATION FOR AN RFID LIBRARY SYSTEM AND AN AUTOMATED MATERIALS HANDLING SYSTEM.

Attachments:

1. Agreement with 3M Corporation
2. Summary of Bids

RECOMMENDATION

Staff recommends that the City Council move to approve the award of a contract to the lowest responsible bidder, 3M Corporation, for the purchase and installation of a radio frequency identification and automated materials handling system for the Beverly Hills Public Library in an amount not to exceed \$305,825.13; and approval of a purchase order in the amount of \$305,825.13.

INTRODUCTION

City Council approved funding to begin providing greater self service capabilities at the Beverly Hills Library through the use of radio frequency identification and automated materials handling technologies. The Library conducted a bid for these services in April, and four vendors responded. 3M Corporation was the lowest responsible bidder through this process.

Staff is recommending that 3M be awarded the contract because 3M is the low bidder, and also has a strong reputation in the field, quality of product, ease of use by patrons, etc.,

DISCUSSION

Great advances have been made in self-service technology over the last decade. These technologies have been implemented widely in the private sector, such as grocery stores, home improvement centers and related businesses. The library seeks to implement two such technologies: radio frequency identification (RFID) and automated materials handling system (AMHS). With RFID, a microchip is embedded in each library book. When a patron checks out materials from the library, the checkout system recognizes the chips in the books and automatically checks them out to the patron. Additionally, RFID facilitates inventorying of the collection. AMHS is a robotics enabled system that allows for easy self-check in by the patron when materials are returned to the Library. This robotics based technology checks in materials, re-enables the alarm on them and sorts them into various categories (e.g. fiction, nonfiction, children's, etc.). The AMHS will be located in a vacated office that is next to the passageway from the Civic Center parking garage to the library. As a result, patrons will be able to return books without having to enter the library. Both systems should facilitate self-service for patrons, freeing library staff to provide greater and higher level customer service to library patrons.

Staff sent out the bids to 9 vendors of these technologies. Four companies, 3M, Bibliotheca ITG, MkSorting Systems, and Tech Logic, responded with bids that ranged from \$305,825.13 to \$424,102.71. The summary of the bids is attached. Staff is recommending that 3M be awarded the contract.

FISCAL IMPACT

\$350,571 is budgeted in the FY 2011-12 Capital Improvement Budget (CIP #921) for RFID and \$285,000 is budgeted in the FY 2011-12 Capital Improvement Budget (CIP # 838) for AMHS, for this purchase.



Scott Miller, Chief Financial Officer
Finance Approval



Nancy Hunt-Coffey, Asst. Dir. of
Comm. Svcs
Approved By

Attachment 1

AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND 3M CORPORATION FOR PURCHASE AND INSTALLATION OF AN RFID LIBRARY SYSTEM AND AN AUTOMATED MATERIALS HANDLING SYSTEM

NAME OF CONSULTANT: 3M CORPORATION

RESPONSIBLE PRINCIPAL OF CONSULTANT: JOE HILL, CUSTOMER SERVICE REPRESENTATIVE

CONSULTANT'S ADDRESS: 3M CENTER, BLDG 225-4n-14, ST. PAUL, MINNESOTA 55144-1000

CITY'S ADDRESS: City of Beverly Hills
455 N. Rexford Drive
Beverly Hills, CA 90210
Attention: NANCY HUNT-COFFEY, ASSISTANT DIRECTOR OF COMMUNITY SERVICES - LIBRARY

COMMENCEMENT DATE: Upon receipt of Notice to Proceed

TERMINATION DATE: June 30, 2013

CONSIDERATION: Not to exceed \$ 305,825.13

AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND 3M CORPORATION FOR PURCHASE AND INSTALLATION OF AN RFID LIBRARY SYSTEM AND AN AUTOMATED MATERIALS HANDLING SYSTEM

THIS AGREEMENT is made by and between the City of Beverly Hills (hereinafter called "CITY"), and 3M CORPORATION (hereinafter called "CONSULTANT") for purchase and installation of an RFID library system and an automated materials handling system.

RECITALS

A. CITY desires to have certain services and/or goods provided as set forth in Exhibit A (the "Scope of Work"), attached hereto and incorporated herein.

B. CONSULTANT represents that it is qualified and able to perform the Scope of Work.

NOW, THEREFORE, the parties agree as follows:

Section 1. CONSULTANT's Scope of Work. CONSULTANT shall perform the Scope of Work described in Exhibit A-1 (Scope of Work) and Exhibit A-2 (Consultant's Quotation) in a manner satisfactory to CITY and consistent with that level of care and skill ordinarily exercised by members of the profession currently practicing in the same locality under similar conditions. CITY shall have the right to order, in writing, changes in the Scope of Work. Any changes in the Scope of Work by CONSULTANT must be made in writing and approved by both parties. The cost of any change in the Scope of Work must be agreed to by both parties in writing.

Section 2. Time of Performance. CONSULTANT shall commence its services under this Agreement upon receipt of a written notice to proceed from CITY. CONSULTANT shall complete the performance of services by the Termination Date set forth above and/or in conformance with the project timeline established by the City Manager or his designee.

Section 3. Compensation.

(a) Compensation. CITY agrees to compensate CONSULTANT for the services and/or goods provides under this Agreement, and CONSULTANT agrees to accept in full satisfaction for such services, a sum not to exceed the Consideration set forth above and more particularly described in Exhibit B, attached hereto and incorporated herein.

(b) Expenses. The amount set forth in Paragraph (a) of this Section above shall include reimbursement for all actual and necessary expenditures reasonably incurred in the performance of this Agreement (including, but not limited to, all labor, materials, delivery, tax, assembly, and installation, as applicable). There shall be no claims for additional compensation for reimbursable expenses.

Section 4. Method of Payment. CONSULTANT shall submit to CITY a detailed invoice. Invoices are generated by orders for goods and services performed pursuant to this Agreement. Payment is net 30; invoice is generated at time of shipment. Each invoice

shall itemize the services rendered for that order and the amount due. Within 30 days of receipt of each invoice, CITY shall pay all undisputed amounts included on the invoice. CITY shall pay CONSULTANT said consideration in accordance with the schedule of payment set forth in Exhibit B, attached hereto and incorporated.

Section 5. Independent Contractor. CONSULTANT is and shall at all times remain, as to CITY, a wholly independent contractor. Neither CITY nor any of its agents shall have control over the conduct of CONSULTANT or any of CONSULTANT's employees, except as herein set forth. CONSULTANT shall not, at any time, or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of CITY.

Section 6. Assignment. This Agreement shall not be assigned in whole or in part, by CONSULTANT without the prior written approval of CITY. Any attempt by CONSULTANT to so assign this Agreement or any rights, duties or obligations arising hereunder shall be void and of no effect.

Section 7. Responsible Principal(s)

(a) CONSULTANT's Responsible Principal set forth above shall be principally responsible for CONSULTANT's obligations under this Agreement and shall serve as principal liaison between CITY and CONSULTANT. Designation of another Responsible Principal by CONSULTANT shall not be made without prior written consent of CITY.

(b) CITY's Responsible Principal shall be the City Manager or his designee set forth above who shall administer the terms of the Agreement on behalf of CITY.

Section 8. Personnel. CONSULTANT represents that it has, or shall secure at its own expense, all personnel required to perform CONSULTANT's Scope of Work under this Agreement. All personnel engaged in the work shall be qualified to perform such Scope of Work.

Section 9. Permits and Licenses. CONSULTANT shall obtain and maintain during the Agreement term all necessary licenses, permits and certificates required by law for the provision of services under this Agreement, including a business license.

Section 10. Interests of CONSULTANT. CONSULTANT affirms that it presently has no interest and shall not have any interest, direct or indirect, which would conflict in any manner with the performance of the Scope of Work contemplated by this Agreement. No person having any such interest shall be employed by or be associated with CONSULTANT.

Section 11. Insurance.

(a) CONSULTANT shall at all times during the term of this Agreement carry, maintain, and keep in full force and effect, insurance as follows:

1) A policy or policies of Comprehensive General Liability Insurance, with minimum limits of Two Million Dollars (\$2,000,000) for each occurrence, combined single limit, against any personal injury, death, loss or damage resulting from the wrongful or negligent acts by CONSULTANT.

2) A policy or policies of Comprehensive Vehicle Liability Insurance covering personal injury and property damage, with minimum limits of One Million Dollars (\$1,000,000) per occurrence combined single limit, covering any vehicle utilized by CONSULTANT in performing the Scope of Work required by this Agreement.

3) Workers' compensation insurance as required by the State of California.

(b) CONSULTANT shall require each of its sub-CONSULTANTS to maintain insurance coverage which meets all of the requirements of this Agreement.

(c) The policy or policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a rating of at least a B+;VII in the latest edition of Best's Insurance Guide.

(d) CONSULTANT agrees that if it does not keep the aforesaid insurance in full force and effect CITY may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, CITY may take out the necessary insurance and pay, at CONSULTANT's expense, the premium thereon.

(e) At all times during the term of this Agreement, CONSULTANT shall maintain on file with the City Clerk a certificate or certificates of insurance on the form set forth in Exhibit C, attached hereto and incorporated herein, or on a form acceptable to the Risk Manager showing that the aforesaid policies are in effect in the required amounts. CONSULTANT shall, prior to commencement of work under this Agreement, file with the City Clerk such certificate or certificates. The general and auto liability insurance shall contain an endorsement naming the CITY as an additional insured. All of the policies required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty (30) days prior written notice to CITY, and specifically stating that the coverage contained in the policies affords insurance pursuant to the terms and conditions as set forth in this Agreement.

(f) The insurance provided by CONSULTANT shall be primary to any coverage available to CITY. The policies of insurance required by this Agreement shall include provisions for waiver of subrogation.

(g) Any deductibles or self-insured retentions must be declared to and approved by CITY. At the option of CITY, CONSULTANT shall either reduce or eliminate the deductibles or self-insured retentions with respect to CITY, or CONSULTANT shall procure a bond guaranteeing payment of losses and expenses.

Section 12. Indemnification. CONSULTANT agrees to indemnify, hold harmless and defend CITY, City Council and each member thereof, and every officer, employee and agent of CITY, from any claim, liability or financial loss (including, without limitation, attorneys fees and costs) arising from any intentional, reckless, negligent, or otherwise wrongful acts, errors or omissions of CONSULTANT or any person employed by CONSULTANT in the performance of this Agreement.

Section 13. Termination.

(a) CITY shall have the right to terminate this Agreement for any reason or for no reason upon five calendar days' written notice to CONSULTANT. CONSULTANT agrees to cease all work under this Agreement on or before the effective date of such notice.

(b) In the event of termination or cancellation of this Agreement by CITY, due to no fault or failure of performance by CONSULTANT, CONSULTANT shall be paid based on the percentage of work satisfactorily performed at the time of termination. In no event shall CONSULTANT be entitled to receive more than the amount that would be paid to CONSULTANT for the full performance of the services required by this Agreement. CONSULTANT shall have no other claim against CITY by reason of such termination, including any claim for compensation.

Section 14. CITY's Responsibility. CITY shall provide CONSULTANT with all pertinent data, documents, and other requested information as is available for the proper performance of CONSULTANT's Scope of Work.

Section 15. Information and Documents. All data, information, documents and drawings prepared for CITY and required to be furnished to CITY in connection with this Agreement shall become the property of CITY, and CITY may use all or any portion of the work submitted by CONSULTANT and compensated by CITY pursuant to this Agreement as CITY deems appropriate.

Section 16. Changes in the Scope of Work. The CITY shall have the right to order, in writing, changes in the scope of work or the services to be performed. Any changes in the scope of work requested by CONSULTANT must be made in writing and approved by both parties.

Section 17. Notice. Any notices, bills, invoices, etc. required by this Agreement shall be deemed received on (a) the day of delivery if delivered by hand during the receiving party's regular business hours or by facsimile before or during the receiving party's regular business hours; or (b) on the second business day following deposit in the United States mail, postage prepaid to the addresses set forth above, or to such other addresses as the parties may, from time to time, designate in writing pursuant to this section.

Section 18. Attorney's Fees. In the event that either party commences any legal action or proceeding to enforce or interpret the provisions of this Agreement, the prevailing party in such action shall be entitled to reasonable attorney's fees, costs and necessary disbursements, in addition to such other relief as may be sought and awarded.

Section 19. Entire Agreement. This Agreement represents the entire integrated agreement between CITY and CONSULTANT, and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by a written instrument signed by both CITY and CONSULTANT.

Section 20. Exhibits; Precedence. All documents referenced as exhibits in this Agreement are hereby incorporated in this Agreement. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of any document incorporated herein by reference, the provisions of this Agreement shall prevail.

Section 21. Governing Law. The interpretation and implementation of this Agreement shall be governed by the domestic law of the State of California.

Section 22. CITY Not Obligated to Third Parties. CITY shall not be obligated or liable under this Agreement to any party other than CONSULTANT.

Section 23. Severability. Invalidation of any provision contained herein or the application thereof to any person or entity by judgment or court order shall in no way affect any of the other covenants, conditions, restrictions, or provisions hereof, or the application thereof to any other person or entity, and the same shall remain in full force and effect.

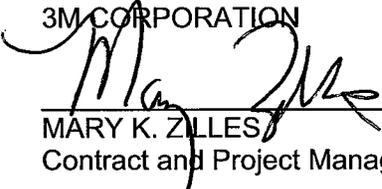
EXECUTED the ____ day of _____ 2012, at Beverly Hills, California.

CITY:
CITY OF BEVERLY HILLS, a municipal corporation

WILLIAM W. BRIEN, M.D.
Mayor of the City of Beverly Hills, California

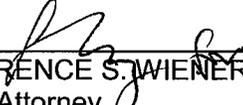
ATTEST:

BYRON POPE
City Clerk

CONSULTANT:
3M CORPORATION


MARY K. ZILLES
Contract and Project Manager

APPROVED AS TO FORM:



LAURENCE S. WIENER
City Attorney

APPROVED AS TO CONTENT

JEFFREY KOLIN
City Manager


NANCY HUNT-COFFEY
Assistant Director of Community Services/
City Librarian



KARL KIRKMAN
Risk Manager

EXHIBIT A
SCOPE OF WORK

CONSULTANT will provide the CITY with an operational RFID system and AMHS system
CONSULTANT's duties related to services to be delivered shall include:

- CONSULTANT will provide necessary project management, equipment, labor and training to complete an RFID and AMHS implementation.
- Ensure that all equipment and applications are working in order.
- Provide all information for site preparation and verify it appropriateness.

Task 1 Project Management

CONSULTANT shall provide a Project Manager to ensure a successful implementation. The responsibilities of CONSULTANT's Project Manager shall include but not be limited to the following:

- (a) Serve as liaison between CITY representatives and CONSULTANT;
- (b) Schedule and conduct site visits, conference calls and meetings with key CITY representatives as needed to prepare for power requirements, network requirements, space planning, traffic flow and ADA requirements;
- (c) Ensure implementation schedule is maintained and accurate, including completion of tasks and deliverables;
- (d) Provide all necessary documentation including cut sheets;
- (e) Resolve any conflicts during the course of the project; and
- (f) Provide status reports

Task 2 Tagging Conversion

The purpose of this task is to provide RFID tags and conversion equipment to tag the Beverly Hills Public Libraries collection.

- (a) Provide RFID tags;
- (b) Provide conversion equipment;
- (c) Installation of conversion equipment
- (d) Train Beverly Hills Public Library staff in the use of the equipment

Task 3 RFID solution

The purpose of this task is to create a functional RFID solution to check-out library materials, maintain their security and inventory.

- (a) Provide self check stations, staff workstations, security gates, and digital library assistant
- (b) Installation of all RFID equipment

- (c) Train Beverly Hills Public Library staff in the use of all RFID equipment (basic set-up tabs, advanced set up tabs for administrative users, and financial administration).

Task 4 AMHS solution

The purpose of this task is to create an Automated Handling System for the check in and sorting of library materials.

- (a) Provide necessary cut sheets for CITY installation of outside induction site in library wall.
- (b) Provide AMH equipment for outside and inside materials induction, check in, and sorting into seven bins.
- (c) Installation of AMH equipment.
- (d) Train Beverly Hills Public Library staff on proper usage of AMH equipment (controls and components, printers, monitors, staff monitor, connections, components, check in, sorter, basic troubleshooting, configuration of reports)

Task 5 Completion

CITY shall issue an acceptance, provided all equipment, installation and training and reasonable fine tuning has been provided and a working RFID and AMH system is in place.

EXHIBIT B

CONSULTANT'S QUOTATION

Beverly Hills Cost Summary

Recommended Solution

Below is detailed pricing for the equipment configuration that we recommend for your library. These prices include installation, project management, training and a twelve month warranty/license.

| Quantity | Item Description | Unit Price | Total |
|-----------------------------------|---|-------------|---------------------|
| 300,000 each | ISO RFID Book Tag – plain white, 2,000 tags per roll (sold in cartons of 6,000 tags) | \$0.17 | \$51,000 |
| 2 each | 3M Conversion Station – 3 Month Rental | \$1,985 | \$3,970 |
| 8 each | 3M Model 896 Enhanced Pad Staff Workstation | \$1,475 | \$11,800 |
| 4 each | 3M SelfCheck™ System R-Series Custom Kiosk <i>(to be built into library provided cabinetry)</i> | \$8,195 | \$32,780 |
| 2 each | 3M SelfCheck™ System R-Series Desktop Components | \$6,295 | \$12,590 |
| 1 each | 3M Model 803 Digital Library Assistant (DLA) with digital data manager | \$5,995 | \$5,995 |
| 1 each | 3M Model 9101 Detection System with wired network card, Single Corridor, Direct Mount | \$8,950 | \$8,950 |
| 2 each | 3M Model 9102 Detection System with wired network card, Dual Corridors, Direct Mount | \$11,285 | \$22,570 |
| 1 each | 3M Intelligent Return and Sorter System FX including: <ul style="list-style-type: none"> • 1 – Intelligent Return Classic, exterior wall mount • 1 – Staff Return Unit • 1 – Sorter FX with seven sort locations • 7 – Bins • 1 – Receipt Printer • 1 – Hold/Exception Printer • 2 – Pre-installation site visit and consultations | \$128,975 | \$128,975 |
| 1 lot | Installation | \$ Included | \$ Included |
| 1 lot | 12 Month Warranty | \$ Included | \$ Included |
| SUBTOTAL – All Above Items | | | 278,630 |
| 1 lot | Shipping and Handling | \$2,815 | \$2,815 |
| | 8.75% Sales Tax | | \$24,380.13 |
| GRAND TOTAL | | | \$305,825.13 |

EXHIBIT C

CERTIFICATE OF INSURANCE

This is to certify that the following endorsement is part of the policy(ies) described below :

NAMED INSURED

COMPANIES AFFORDING COVERAGE

ADDRESS

- A.
- B.
- C.

| COMPANY (A.B.C.) | COVERAGE | POLICY NUMBER | EXPIRATION DATE | B.I. | LIMITS P.D. | AGGREGATE |
|---------------------|--|------------------|--------------------|------|-------------|-----------|
| | <input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> GENERAL LIABILITY <input type="checkbox"/> PRODUCTS/COMPLETED OPERATIONS <input type="checkbox"/> BLANKET CONTRACTUAL <input type="checkbox"/> CONSULTANT'S PROTECTIVE <input type="checkbox"/> PERSONAL INJURY <input type="checkbox"/> EXCESS LIABILITY <input type="checkbox"/> WORKER'S COMPENSATION | | | | | |

It is hereby understood and agreed that the City of Beverly Hills, its City Council and each member thereof and every officer and employee of the City shall be named as joint and several assureds with respect to claims arising out of the following project or agreement:

It is further agreed that the following indemnity agreement between the City of Beverly Hills and the named insured is covered under the policy: CONSULTANT agrees to indemnify, hold harmless and defend City, its City Council and each member thereof and every officer and employee of City from any and all liability or financial loss resulting from any suits, claims, losses or actions brought against and from all costs and expenses of litigation brought against City, its City Council and each member thereof and any officer or employee of City which results directly or indirectly from the wrongful or negligent actions of CONSULTANT's officers, employees, agents or others employed by CONSULTANT while engaged by CONSULTANT in the (performance of this agreement) construction of this project.

It is further agreed that the inclusion of more than one assured shall not operate to increase the limit of the company's liability and that insurer waives any right of contribution with insurance which may be available to the City of Beverly Hills.

In the event of cancellation or material change in the above coverage, the company will give 30 days' written notice of cancellation or material change to the certificate holder.

Except to certify that the policy(ies) described above have the above endorsement attached, this certificate or verification of insurance is not an insurance policy and does not amend, extend or alter the coverage afforded by the policies listed herein. Notwithstanding any requirement, term, or condition of any contract or other document with respect to which this certificate or verification of insurance may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies.

DATE : _____

BY :

Authorized Insurance Representative

TITLE :

AGENCY : _____

Address :

Attachment 2



Community Services - Library

Issuing Department
SUMMARY OF BIDS

BID NO.: 12-30

BID OPENING DATE: April 26, 2012

NAME OF BID: RFID & AUTOMATED MATERIAL HANDLING SYSTEM PROJECT

| VENDOR | BID | PARTIAL BID | NO BID | NO RESPONSE |
|-------------------------------|--------------|----------------|--------|----------------|
| 3M | \$305,825.13 | | | |
| Bibliotheca ITG | \$321,509.59 | | | |
| Envisionware | | | | x |
| LAT Corp | | | | x |
| Libramation | | | | x |
| MkSorting Systems | \$319,350.00 | | | |
| Tech Logic | \$424,102.71 | | | |
| CPAC, Inc. | | | | x |
| Source Management, Onvia Inc. | | | | x |
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