

City of Mississauga  
**Corporate Report**



<p>Date: April 30, 2024</p> <p>To: Chair and Members of General Committee</p>	<p>Originator's files:</p>
<p>From: Jodi Robillos, Commissioner of Community Services</p>	<p>Meeting date:                  May 22, 2024</p>

**Subject**

**Single Source Contract Award to Unique Management Services Inc., for Library Materials Recovery Services**

**Recommendation**

1. That Council approve the Single Source procurement for the recovery of library materials and collections from Unique Management Services Inc. for a period of two (2) years (July 1, 2024 to October 10, 2026), with the option to extend the term for an additional five (5) years, as detailed in the corporate report entitled “Single Source Contract Award to Unique Management Services Inc., for Library Materials Recovery Services”, dated April 30, 2024, from the Commissioner of Community Services.
2. That the Chief Procurement Officer or designate be authorized to execute all contracts and related ancillary documents with respect to the purchase between the City and Unique Management Services Inc. for an estimated amount of \$538,000 exclusive of taxes, in accordance with the City’s Procurement Bylaw 0013-2022, as amended.

**Executive Summary**

- The Library uses a Collection Agency to recover materials or, in the event materials cannot be recovered, to recover replacement costs.
- This practice ensures fairness for Library customers, provides good inventory management, and ensures the library provides stewardship over its material assets.
- The Library eliminated overdue fines in 2022 and retroactively waived existing overdue fees. The Collection Agency is now only involved if Library materials are damaged or not returned.
- Credit reporting only occurs after 180+ days (~6 months) of a customer incurring a fee – and only for Adult accounts owing \$40 or more.
- The Library recovers \$4.17 in materials or money for every \$1.00 it spends on Collection

Agency services.

- The contract is a Single Source as only one vendor is authorized to provide this service with the Library's integrated library system (ILS).

## Background

Mississauga Library has a duty to attempt to recover outstanding materials and related fees from lost or damaged items. At its July 3, 2013 meeting, Council approved a Single Source contract award to Unique Management Services, Inc. ('UMS') for the term July 1, 2013, to June 30, 2018. Ref.: GC-0446-2013 and approved a renewal contract from June 2018 to June 2023 Ref GC-0393-2018. A one-year interim extension was executed for the period from June 2023 to June 2024 to allow the Library to assess the ongoing need for the service. This need has been reaffirmed.

As of January 2022, the Library no longer charges fines for overdue materials, but customer accounts can incur fees for the replacement costs for long overdue or damaged materials and related processing fees. There is a robust communication process in place to ensure customers are notified about overdue materials and have the time to return these materials or reach out to the Library or resolve the situation before they are assumed lost and associated fees are added to their accounts.

Unique Management's Services are undertaken through a software interface with the Library's Integrated Library System (ILS) provided by SirsiDynix. This system contains the database which includes customer borrowing records and the catalogue of library materials. The ILS has a built-in Debt Collect module which enables debt and materials recovery to occur through an automated service. Unique Management Services, Inc. continues to be the only third-party recovery service authorized by SirsiDynix. Accordingly, they are a single source.

The Library uses two automated programs to ensure that materials and outstanding library fees are collected.

1. Customers with a \$40.00 balance or higher

The Library assigns accounts to UMS that have an outstanding balance of \$40.00 or more. UMS charges a collection fee of \$12.80 for each outstanding account, which is added to the overdue amount. A series of notification steps are initiated by UMS to prompt the customer to return materials or pay outstanding fees. If at the end of the process the account is not cleared, customers who are over 18 are credit reported.

2. Customers with balances between \$20.00 and \$39.99

The library also participates in a small balance program with UMS, where customers who owe between \$20.00 and \$39.99 in outstanding fines are sent to collections, but a reduced fee of \$5.00 per account is added to the overdue amount before the collection. These customers are not eligible for credit reporting.

## Present Status

Customers receive between three and five notifications from the library before their items are considered lost depending upon their notification format and the replacement fees are applied to their accounts. These notifications also provide contact information for library staff who can assist with any necessary account inquiries.

If the items remain overdue after 60 days a customer's account is submitted to UMS and a past due fee is added to the account. UMS contacts the customer through the mail and by phone at timed intervals (between 2 and 5 times), urging them to contact the library to clear their accounts. After 120 days customers in the large balance program will be credit reported.

Interest is not charged as part of the collection program. The library pays 22.5% of fees submitted to UMS. The program has been very successful, resulting in a combined 4.17:1 return for fees remitted to the service from 2018-2023. Total value of the recovery in materials and fees for this period has been \$836,182.69 against fees of \$200,493.31. It is therefore beneficial to the City to continue with this program.

## Comments

The UMS contract is tied to the City's contract with SirsiDynix for the ILS. The SirsiDynix ILS agreement ends on October 10, 2026, and may be extended to October 10, 2031. It is recommended that the contract with Unique Management Services, Inc. be for the term July 1, 2024, to October 10, 2026, with an option to extend the contract to October 10, 2031, to align with the SirsiDynix contract term.

The Procurement By-law No. 0013-2022, as amended, provides for a Single Source contract award under Schedule 'A', Section 1, (c) given the justification that "the Goods and/or Services are unique to one particular supplier and no reasonable alternative or substitute exists due to exclusive rights such as patent, copyright or license".

## Financial Impact

There are no financial implications resulting from the recommendation of this report. The financial impact of the cost of services to recover outstanding library materials in form of physical materials or fees over 2024 to 2031 is below.

Estimated gross recoveries	\$2,431,110
Less: Estimated Total UMS Fees	(\$583,000)
Estimated Net Recovery	\$1,848,110

There is no budget impact, and the fees will be recognized in the operating budget, as received.

### Conclusion

The Library requires collection agency services for the recovery of library materials and collection of related fees. Unique Management Services, Inc. is a single source due to their exclusive access to the Library’s SirsiDynix Integrated Library System and is recommended for contract award.

The recommended award is provided for in Procurement By-law No. 0013-2022, as amended, under Schedule ‘A’, Section 1, (c) given the justification that “the Goods and/or Services are unique to one particular supplier and no reasonable alternative or substitute exists due to exclusive rights such as patent, copyright or license”.



Jodi Robillos, Commissioner of Community Services

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