

City of Mississauga

# Corporate Report



11.5.

Date: June 19, 2020

To: Mayor and Members of Council

From: Gary Kent, CPA, CGA, ICD.D, Commissioner of  
Corporate Services and Chief Financial Officer

Meeting date:  
August 5, 2020

## Subject

**Recommendation of Single Source Procurement with SirsiDynix Corporation for the Integrated Library System (ILS), File Ref. PRC001318**

## Recommendation

1. That Council approve the single source procurement by way of amendment of the contract (Contract #4600013714) with SirsiDynix Corporation for maintenance and support for a period of five (5) years, with the option to extend the term for an additional five (5) years, as detailed in the corporate report entitled "Recommendation of Single Source Procurement with SirsiDynix Corporation for the Integrated Library System (ILS)", dated June 19, 2020, from the Commissioner of Corporate Services and Chief Financial Officer ("Purchase"), File Ref. PRC001318.
2. That the Purchasing Agent or designate be authorized to execute all contracts and related ancillary documents with respect to the Purchase between the City and SirsiDynix Corporation for an estimated amount of up to \$1,204,550 (\$600,000 for years 1 to 5 + optional \$604,550 for years 6 to 10) exclusive of taxes, in accordance with the City's Purchasing By-law 374-06, as amended.
3. That the Purchasing Agent or designate be authorized to execute the necessary amendments to increase the value of the contract between the City and SirsiDynix Corporation for maintenance and support, including additional features, for the purpose of continued support, if the funding for such contract increase has been approved by Council.
4. That Council approve the SirsiDynix Integrated Library System as a City Standard for a period of five (5) years, and for an additional period of five (5) years should the City exercise its option to extend the term of the contract, in accordance with the City's Purchasing By-law 374-06, as amended.

## Report Highlights

- The Integrated Library System (ILS) is the core information system for managing all library collections, public member accounts and staff users. It also delivers public access through the Online Public Access Catalogue (OPAC).
- Staff are recommending the approval to extend the existing SirsiDynix Corporation contract for five (5) years for maintenance and support plus the option to renew for an additional five (5) years. An RFI would be initiated in year three (3), and depending on the findings of the RFI, a competitive RFP would be pursued prior to the end of year five (5) or prior to the end of year ten (10).
- Estimated cost savings of \$700,000 by proceeding with a five-year contract extension versus going to market with an RFP in 2020.

## Background

SirsiDynix has been the library's Integrated Library System (ILS) since 2011. The existing 10 year contract ends October 31, 2021. In March 2019, planning began with Library, IT, and Materiel Management, regarding a competitive procurement or Request for Information (RFI). Work was progressing until the start of the pandemic.

The end of the existing ILS contract will come during the Central Library's closure and revitalization. The planning and implementation of the Central Library revitalization will be the main focus for the Library and Information Technology's efforts during this period.

The COVID-19 public health crisis has impacted Library, Information Technology, Materiel Management, and Legal staff resources since March 2020, diverting attention to the more critical tasks of closure and recovery. This has increased the risk that an HVA RFP (High-Value Acquisition Request for Proposal) and new system implementation would not be completed by the time the ILS contract expires on October 31, 2021. The timing and required resources to undertake a full procurement process would also impact 2021 budgets, making the contract extension a reasonable process to prevent added financial strain on the City and Library.

## Comments

Staff are recommending a contract extension for a five (5) year term (from November 1, 2021 to October 31, 2026) plus a five (5) year renewal (to October 31, 2031) of the SirsiDynix ILS contract. An RFI would be distributed in year three, and depending on the findings of the RFI, a competitive RFP would be pursued prior to the end of year 5 or prior to the end of year 10.

If the existing contract is extended, SirsiDynix Corporation has agreed to hold the current annual maintenance fee (\$113,000/year) for the duration of the five (5) year contract extension term (i.e. with no annual price increase and projected cost avoidance of \$11,730). Historically, maintenance fees would increase approximately 2.5% each year.

If the contract extension is not approved, a competitive HVA acquisition would have to be initiated via a competitive RFP. The procurement would take approximately 12 - 18 months and a new system implementation would take approximately 12 months for a total of 24 - 30 months. Due to the length of time it would take to complete a competitive HVA RFP acquisition and the time required for project implementation of a new system, there is a high risk that the library would not be able to successfully complete the project before the current SyrsiDynix ILS contract expires in October 2021. To minimize this risk, the existing SirsiDynix ILS software and maintenance contract would need to be extended by another year (1) adding an additional \$115,825 to the cost of the acquisition and implementation of the new system.

#### Purchasing By-law Authorization

The contract #4600013714 will be extended under Purchasing By-law 374-06, Schedule "A" using the Single/Sole Source Acquisition justification clauses shown below, and the supporting rationale for each single/sole source which has been reviewed and approved by Materiel Management.

- (b)(iv) The solicitation of competitive Bids would not be economical to the City

The current solution is meeting the business needs. The Library and IT staff completed a thorough market scan and industry benchmarking to validate that the business need is being met and there is indeed justification to stay with the current solution, for now. Staff will revisit the market three (3) years from now using an RFI to assess the market for a viable system replacement and make a determination to go to market or extend for an additional 5 years. The estimated savings, primarily due to implementation costs and higher software costs, is estimated to be \$700,000 over the first 5 years of the contract.

## **Financial Impact**

The total estimated cost of the single source contract extension is \$600,000 (includes 5 years of maintenance). With the extension of the existing contract, SirsiDynix has agreed to hold the current annual maintenance fee (\$113,000/year + \$35,000 contingency) for the duration of the 5-year contract extension (i.e. with no annual price increase). It is estimated that years 6-10 would cost approximately \$604,550 for a total 10 year estimated cost of \$1,204,550. This is a very prudent approach that eliminates cost increase for the next 5 years and approximately \$700,000 in savings that a system replacement would cost. The Schedule for Maintenance and Support is enclosed in Appendix 1 – Statement of Work.

The existing contract is funded in the 2020 approved IT operating budget. The recommended contract extension will continue to be funded from IT operating budget, with any increases subject to budget approvals.

## Conclusion

The Library requires a reliable system to manage the delivery of services to the public and manage the physical and digital resources that contribute to the success of the overall system. By maintaining the current system through a Single Source contract extension and then subsequently testing the market in 3 years, the Library and IT feel this is the best approach given the current impacts of COVID as well as current industry benchmarking.

Having confidence in the continued use of the SirsiDynix system and cost containment with no increase in maintenance costs for the next 5 years is a prudent measure and provides staff the necessary time to address the overall system replacement.

## Attachments

Appendix 1: Statement of Work

For: 

Gary Kent, CPA, CGA, ICD.D, Commissioner of Corporate Services and Chief Financial Officer

Prepared by: Michelle Reyes, Manager, IT Community Services,