



City of Sunnyvale

Agenda Item-No Attachments (PDF)

File #: 16-0038, Version: 1

REPORT TO COUNCIL

SUBJECT

Authorize the Issuance of a Purchase Order for the Purchase of Self-checkout Machines, a Security Gate, and Related Software and Hardware for the Sunnyvale Public Library (F16-91)

REPORT IN BRIEF

Approval is requested to issue a purchase order to Bibliotheca ITG of Norcross, Georgia in the amount of \$99,995, plus sales tax, for six (6) SmartServe 1000 self-checkout machines, SmartGate 400 Single Aisle Security Gate, and related software and hardware for the Sunnyvale Public Library. The machines, gate, and related software and hardware will replace the existing equipment, which was installed in 2010.

EXISTING POLICY

Pursuant to Chapter 2.08 of the Sunnyvale Municipal Code, Council approval is required for contracts exceeding \$100,000.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

BACKGROUND AND DISCUSSION

In FY 2009/10, Council awarded a contract to Bibliotheca to install an Automated Materials Handling System (AMH) with Radio Frequency Identification (RFID) technology (RTC No. 09-186). Bibliotheca was selected from among six competing solutions received through a competitive Request for Proposals (RFP) process.

The current system includes Bibliotheca Orion self-checkout machines that were installed in March 2010. At that time, a security gate was also installed to alert staff to materials that were not checked out properly and to count the number of library visitors. Currently, 95% of all checkouts are processed at the machines and 66% of the collected revenue is processed by credit card.

The self-checkout machines and security gate systems have reached the end of their useful life and maintenance and technical support for both systems will end on June 30, 2016. Library staff has done extensive research to identify requirements for a replacement system. While the existing system has served library customers well, it is not fully compliant with current Payment Card Industry (PCI) requirements that credit card readers be enabled with EMV (Europay, Mastercard and Visa), the new chip reader technology.

As of October 1, 2015, all merchants accepting credit cards as a form of payment are required to use

the new technology of the chip and pin terminal in order to reduce fraud. Merchants without the new technology will be held liable for all fraudulent charges. In addition to being compliant with PCI and EMV, the new machines will allow library patrons to use contactless forms of payment such as Google Wallet and Apple Pay to pay fines and other fees, a frequently requested capability.

The replacement RFID system from Bibliotheca is a package that offers self-checkout machines, security gates, and related software and hardware. The purchase price of the new system includes the first year maintenance and technical support. It should be noted that Bibliotheca is the only vendor who currently provides a contactless form of payment functionality.

FISCAL IMPACT

The total purchase cost is \$99,995, plus sales tax. Budgeted funds for the system replacement are available in the Information Technology Equipment Replacement Account. Ongoing annual maintenance costs for the current RFID system are approximately \$11,000, and will not change with the equipment replacement. Funds are budgeted in the IT operating program budget.

Funding Source

The IT Equipment Replacement Account and IT operating programs are funded by the General Services Fund, Technology and Communications Services Sub-Fund

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

RECOMMENDATION

Authorize the issuance of a purchase order substantially in the same form as Attachment 1 to the report in the amount of \$99,995, excluding sales tax, to Bibliotheca ITG for six (6) SmartServe 1000 self-checkout machines, a SmartGate 400 Single Aisle Security Gate, and related software and hardware.

Prepared by: Pete Gonda, Purchasing Officer

Reviewed by: Timothy J. Kirby, Acting Director, Finance

Reviewed by: Walter C. Rossmann, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

ATTACHMENT

1. Draft Purchase Order