

VAUGHAN PUBLIC LIBRARY BOARD 2004 PRE-BUDGET APPROVAL

Recommendation

The Commissioner of Finance & Corporate Services in consultation with the Director of Reserves & Investments recommends:

That the funding request for the integrated voice communications network at Bathurst Clark Resource Library, Dufferin Clark Library, Maple Library, Ansley Grove Library, Woodbridge Library and Kleinburg Library be considered during the 2004 Capital Budget deliberations; and

That an additional \$48,000 be added to the budget for the New Resource Library Communications Project;

That the inclusion of the matter on a Public Committee or Council agenda for the additional funding request identified as New Resource Library Additional funding is deemed sufficient notice pursuant to Section 2(1)(c) of By-law 394-2002; and

That the source of funding be from City Wide Development Charges (\$43,200) - Library Building and taxation (\$4,800).

Purpose

To obtain direction on the Vaughan Public Library Board submission requesting 2004 Pre-Budget approval.

Background - Analysis and Options

Council at its meeting of June 23, 2003 adopted the following:

"That the Vaughan Public Library Board's request for an additional \$268,000 for a new integrated call centre be referred to the August 18, 2003 Committee of the Whole meeting or a report addressing the justification of this expenditure."

The Vaughan Public Library Board have provided a response as directed for Council's review. Discussions were held with ITS staff to determine and identify the immediate communication needs to the Library call centers.

For the new resource library the \$102,000 approved in the 2003 Capital Budget is insufficient to complete the project needs. ITS staff have identified the need for an additional \$48,000 to complete the new resource library communication centre.

The funding for the other communication work is taxation. As staff are commencing the process of preparing the 2004 Draft Capital Budget, the balance of the funding request \$220,000 to complete the system wide communication for the remaining libraries should be included for consideration during the 2004 Capital Budget process. There are numerous demands for limited taxation funding.

Conclusion

Staff recommend that the additional funding for the communication system in the amount of \$48,000 be approved. Should Council concur with this proposed additional funding request, the action would be considered as an amendment to the Capital Budget. Pursuant to the Municipal

Act 2001, Section 291(1) before amending a budget, a municipality shall give notice of its intention to amend the budget at a Council meeting. Where a capital project has been subject to a public meeting during the adoption of the approved capital budget and where additional funding is required to complete the approved works, inclusion of the matter in a staff report requesting additional funding on a public Committee or Council agenda is deemed to be sufficient notice pursuant to section 2(1)(c) of By-law 394-2002. Therefore, no additional notice is required.

Attachments

Attachment 1 – Vaughan Public Library Board letter
Attachment 2 – Council Extract June 23, 2003

Report prepared by:

Ferrucio Castellarin, ext. 8271
Director of Reserves & Investments

Respectfully submitted,

Clayton D. Harris, CA
Commissioner of Finance & Corporate Services



Vaughan
Public Libraries

RECEIVED

AUG 07 2003

CITY OF VAUGHAN
FINANCE

Attachment 1

MEMORANDUM

Administration Office

900 Clark Avenue West, Thornhill, Ontario L4J 8C1
Tel. (905) 709-1106 * Fax (905) 709-1530

TO: Mayor and Members of Council
Michael De Angelis, City Manager
Clayton Harris, Commissioner of Finance
John Leach, City Clerk

FROM: Rosemary Bonanno

DATE: August 6, 2003

SUBJECT: **System-Wide Communications**
2004 Pre-Budget Approval – Capital Budget

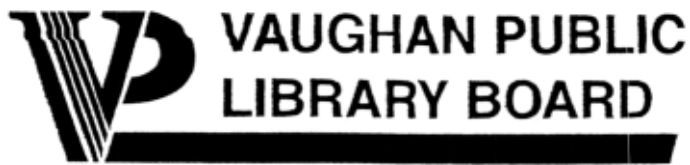
A letter dated July 17, 2003 was forwarded to you from the Vaughan Public Library Board in response to Council's request for additional information regarding the Board's system-wide communications initiative.

The letter indicated there was an attachment from the joint committee on the criteria, evaluation and recommendations resulting from the issuance of an RFP for an integrated voice communication system, that we neglected to include with the letter.

Please accept our apologies for this oversight. A copy of the letter with the attachment is enclosed herewith.

Rosemary Bonanno
Chief Executive Officer

attachment



900 Clark Avenue West, Vaughan, Ontario L4J 8C1
Tel. (905) 709-1106 * Fax (905) 709-1530 * Web Site <http://www.vaughanpl.com>

Vaughan Public Libraries serve the information, cultural, learning and leisure needs of a growing multicultural community. We offer every member of our community full access to all our services.

July 7, 2003

His Worship Mayor Michael Di Biase
and Members of Council
City of Vaughan
2141 Major MacKenzie Drive
Vaughan, Ontario
L6A 1T1

Dear Mayor and Council

Re: System-Wide Communications – 2004 Pre-Budget Approval – Capital Budget

I am writing in response to your request of June 23, 2003 for additional information regarding the Board's system-wide communications initiative.

Background

In 2001, the Board directed staff to seek a solution to stabilize the inconsistency and substandard service associated with Vaughan Public Libraries' (VPL) voice communications network, and part of this solution must involve service support that meets the needs of VPL. This initiative was a direct result of the Board's *Strategic Agenda: Harnessing Advantage, 2002 to 2004*. Within the Board's continuing commitment to full service efficiencies and the Board's priority to enhance the users' access to one-to-one service, the process was initiated in order that the requirements of the second resource library would be part of the process.

Analysis and Options

Staff established the needs and requirements of an effective voice communications system that would be flexible and enable VPL to take advantage of the fibre optic network that the data network currently sits on. The system would centralize all incoming calls to a live attendant and then have the ability to direct incoming calls to the appropriate branch or staff member. The system would need flexibility to enable reference staff to be outfitted with wireless headsets, enabling telephone reference to be conducted in the stacks. In addition, the system would have to provide a complete range of voice mail options, 4-digit dialing, caller identification and 24/7 support.

continued

VAUGHAN PUBLIC LIBRARY BOARD

Letter to Mayor and Council

System-Wide Communications – 2004 Pre-Budget Approval (Capital Budget)

July 7, 2003

Page 2

The Board concurred with staff's recommendation that Vaughan Public Libraries would be responsible for the administration and staffing of this new system. This would ensure Vaughan Public Libraries' expectations were addressed in a timely and efficient manner.

In the 2002 Capital Budget submission, the Board requested \$100,000 to implement the first phase of the initiative. The request was deferred.

In the 2003 Capital Budget submission, the Board requested \$350,000 to implement all phases of the initiative. Part of the request was granted. The amount of \$102,000 was secured through development charges funding to implement the system at the second resource library. We were advised to seek pre-budget approval (2004) for the remaining funding.

In anticipation of this next step, an RFP was issued seeking a solution that would address the installation and ongoing maintenance support of an integrated voice communication system. A joint committee was struck consisting of members from the City of Vaughan IT Services, the City of Vaughan Purchasing Department and Vaughan Public Libraries. The committee's criteria, evaluation and recommendation are attached.

The Board reviewed the Committee's report and endorsed the Committee's recommendation

Conclusion

The Vaughan Public Library Board is seeking funding in the amount of \$268,000 to deploy an integrated voice communication network at Bathurst Clark Resource Library, Dufferin Clark Library, Maple Library, Ansley Grove Library, Woodbridge Library and Kleinburg Library.

The Board looks forward to your response. If you have additional questions, please contact me.

Sincerely,



Eileen Burrell

Chair

Vaughan Public Library Board

Board\2004 Pre-Budget Approval-Communications System py

cc Vaughan Public Library Board Trustees
Rosemary Bonanno, Chief Executive Officer, Vaughan Public Libraries
Michael De Angelis, City Manager, City of Vaughan
Clayton Harris, Commissioner of Finance, City of Vaughan
John Leach, City Clerk, City of Vaughan

BACKGROUND

An RFP was issued seeking a solution that would address the installation and ongoing maintenance support for an integrated voice communication system for Vaughan Public Libraries. The RFP was issued March 27, 2003 as per City of Vaughan procurement procedures. A general proponents visit was held on April 14, 2003 for all potential bidders. Further to the RFP, three addendums were issued, April 1, 2003, April 16, 2003 and April 22, 2003. The RFP closed on April 24, 2003. Upon review of the RFP submissions it became apparent that further explanation was needed and clarification questions were issued on May 6, 2003 to which the answers were received on May 13, 2003.

The following bids were received:

Infostream Technologies Inc. (Richmond Hill)
LGS Group Inc (Toronto)
HighTech Communications (Newmarket)
Executive Communications Limited (Mississauga)

No Bid:

Pulse Software & Consulting Inc. (Richmond Hill)
Futureway Communications (Richmond Hill)

Non-Compliant:

J & D Systems Inc (Mississauga)
Bell Canada (Toronto)
Telus Business Solutions (Toronto)

The following are some of the criteria used by the committee to reach a recommendation.

PRICING

Total Cost of Ownership

See Table 1

Purchase Options/Solutions

All of the proponents offered viable solutions, however both ECL and Infostream offered more than one option. ECL offered a leasing option and Infostream offered both a centralized and a distributed model.

Cost of upgrades and replacements

All the proponents listed the replacements costs of the components for the integrated voice communication system separately. The replacement costs are listed in Table 2.

The cost of software upgrades was not included in all of the proposals. ECL did not mention how much it would cost to upgrade or even if upgrades were available. All upgrades were extra in the LGS proposal and they neglected to mention or give historical costing of how much the upgrades would be. Infostream stated that a separate contract could be negotiated whereby Vaughan Public Libraries would pay \$8436/year to cover all software upgrades. High Tech stated that there is a cost for software upgrades ranging from \$200-\$800 per upgrade plus a \$95 per hour labour cost.

QUALIFICATIONS OF THE FIRM

Prior Experience in the Public Sector

ECL, Infostream and HighTech all had worked previously with 2 or more public sector organizations.

LGS had no direct experience that we could find. When the references were called, we were informed that although the references did use Avaya, the system that LGS had recommended in their proposal, the references did not have any dealings with LGS. LGS did not install or service any of the reference companies given.

History and Reputation of the Firm

LGS did not provide direct information about themselves, only IBM as a whole. From the references given, the reputation of the company could not be verified. HighTech and Infostream have both been in business for 18 years, while ECL has been in business for 30 years. From the references given, all have excellent reputations.

Service Capabilities

The references for ECL and Infostream stated that these two companies offered excellent service. Their service procedures were clearly outlined in the proposals. Although HighTech also received good references on this issue, the warranty insurance was underwritten by another company (a U.S. company) and caused concern among the committee members. We were unable to verify the service capabilities of LGS as the references stated they never dealt with LGS.

Manufacturers Represented

All the manufacturers represented by the various proponents are well know and respected manufacturers on voice communication systems:

Infostream	Cisco Systems
ECL	Nortel Systems
LGS	Avaya Systems
HighTech	NEC Systems

QUALITY OF PRODUCTS SUPPLIES

Continuous Availability of Supply

All proponents assured us that supply of equipment was readily available. This information was verified by the references.

Manufacturers Warranty

This was standard for all proponents, 1 year parts and labour

User Friendly Components

ECL represented a product already in use by Vaughan Public Libraries (Nortel). From experience, the committee knows that these phones are easy to use and user friendly. The references for LGS and Infostream both stated that their

phones were easy to use and user friendly. A reference for HighTech stated that the NEC phones were not user friendly, and took some time to learn.

Extended Life Cycle of Components

All equipment had long life cycles

QUALITY OF PROPOSAL

Complete, Concise and Innovative Proposals

Unfortunately, no proponents offered truly innovative solutions. ECL was concise, but unfortunately missed a lot of pertinent information, and the answers to our clarification questions were also incomplete. LGS did not answer all the questions completely and discussed issues totally irrelevant to the proposal (i.e. project management). HighTech answered the questions but information was difficult to find and the issue of warranty insurance was still unclear to the committee. Infostream answered all of the questions completely in an ordered manner with a detailed description of their support services.

Demonstrated Understanding of the Requirements

The committee looked at section 23 (General Proposal Requirements) of the RFP and graded the number of requirements fulfilled by the proponents. None of the proponents fulfilled all 11 of these general proposal requirements prior to our clarification questions. Table 3 shows the breakdown of the general proposal requirements.

RECOMMENDATION

After each proponent was evaluated against the criteria, and information verified by the references, Infostream was the clear winner (as shown in Table 4). The committee recommends that Vaughan Public Libraries award the contract to Infostream Technologies Inc.

Jack Dhaliwal, Senior Manager, IT Services, City of Vaughan
Yvonne Kharag, Business Manager, Vaughan Public Libraries
Michael Long, Senior Business Analyst, IT Services, City of Vaughan
Paul Cook, Supervisor of Supplies & Services, City of Vaughan
Marilyn Guy, Manager of Operations, Vaughan Public Libraries
Yasmin Mukri, Clerk III – Business Office, Vaughan Public Libraries

Table 1 TOTAL INVESTMENT

	<u>INOSTREAM</u>	<u>ECL</u>	<u>LGS</u>	<u>HIGHTECH</u>
	\$116,197.15	\$51,907.60	\$146,129.40	\$84,669.00
	\$16,042.00	\$20,441.95	\$12,454.06	\$16,792.00
	\$16,813.12	\$20,955.95	\$21,582.27	\$17,779.00
	\$15,301.12	\$17,892.95	\$12,183.08	\$15,885.00
	\$16,208.32	\$20,441.95	\$12,454.06	\$16,792.00
	\$15,301.12	\$18,642.95	\$12,183.00	\$15,885.00
	\$24,004.64	\$31,686.95	\$27,351.62	\$28,780.00
	\$219,867.47	\$181,970.30	\$34,772.20	\$196,582.00
			\$279,109.69	
Maintenance Contract (for 3 years except for HighTech which is for a 5 years insurance warranty)	\$35,727.00	\$22,104.00	\$121,864.60	\$16,860.00
Additional Costs Project Management & Documentation	\$18,000.00		\$2,400.00	
Trade-in for Existing Hardware Discount		(\$2,000.00) (\$26,103.30)	(\$3,000.00)	\$6,500.00)
Total Investment not including line costs)	\$273,594.47	\$175,971.00	\$400,374.29	\$206,942.00
Yearly Operating Costs	\$126,000.00	\$333,930.24	not given	\$107,404.00

INTEGRATED VOICE COMMUNICATION SYSTEM EVALUATION AND RECOMMENDATION

Table 2 HARDWARE REPLACEMENTS COSTS

Hardware	Infostream	ECL	LGS	HighTech
Wireless Phone	774.90	710.00	1220.00 (including all peripherals)	539.00
Wireless battery	67.20	85.00		
Regular phone set	166.32	257.00	230.00	255
Agent phone set	317.52	415.00	380.00	552.00
Licensing fee agent	151.20		912.00	4173
non-agent	80.64		76.00	(for 20 agents)
Voice mailbox fee		195.00		

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 23, 2003

Item 11, Report No. 2, of the Budget Committee, which was adopted without amendment by the Council of the City of Vaughan on June 23, 2003.

11 VAUGHAN PUBLIC LIBRARY BOARD 2004 PRE-BUDGET APPROVALS

The Budget Committee recommends:

- 1) That the Vaughan Public Library Board's request for \$148,000 for the recruitment, orientation and training of staff for the New Resource Library, be approved, and that staff be directed to provide notice for consideration of this request at the August 25, 2003 Council meeting;
- 2) That the Vaughan Public Library Board's request for an additional \$268,000 for a new integrated call centre be referred to the August 18, 2003 Committee of the Whole meeting, for a report addressing the justification of this expenditure; and
- 3) That the following report of the Commissioner of Finance & Corporate Services, dated June 23, 2003, be received.

Recommendation

The Commissioner of Finance & Corporate Services recommends:

That staff request direction on the Vaughan Public Library Board 2004 Pre-Budget requests.

Purpose

To provide the Budget Committee with the Vaughan Public Library Board submission requesting 2004 Pre-Budget approvals.

Background - Analysis and Options

The Vaughan Public Library Board is seeking 2004 pre-budget approvals for two (2) items. The following is a summary of their request.

1 **New Resource Library – Operating Budget**

The New Resource Library is scheduled to open February 2004. In anticipation of this opening, the deployment of a service plan, which includes the recruitment of five staff, orientation and training, must be completed in advance. For this initiative, the Board 2004 pre-budget Operating budget request is \$148,000.

2 **System Wide Communications – Capital Budget**

The Vaughan Public Library Board is experiencing inconsistent and unstable issues with an antiquated telephone system. The Board is seeking funding to deploy a new integrated call centre environment system wide. The Board's 2004 pre-budget Capital budget request is for an additional \$268,000 to what was previously approved in the 2003 Capital Budget. The funding source for this expenditure would be taxation.

Conclusion

Staff request direction on the Vaughan Public Library Board requests. Should Council concur with the proposed increase in expenditure, this action would be considered an adoption to part of the

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 23, 2003

2004 Operating and Capital Budgets. Pursuant to the Municipal Act, 2001, Section 291 (1) before
.../2

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adopting all or part of budget, a municipality shall give notice of its intention to adopt the budget at a Council meeting. In accordance with By-law 394-2002, notice of an intention to adopt all or part of a budget consists of publication notice in a newspaper of a public meeting to consider the proposed adoption at least 14 days prior to the date of the Council meeting at which this proposed amendment is to be considered.

Therefore if Council is considering pre-budget approval to the 2004 Operating and Capital Budgets, staff be directed to provide notice of an intention to adopt part of the 2004 Operating and Capital budgets pursuant to By-law 394-2002.

Attachments

Attachment 1 – Vaughan Public Library Board Request

Report prepared by:

Ferruccio Castellarin, ext. 8271
Director of Reserves and Investments

(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)