



**8.5 LIBRARY COLLECTION CONTRACT**  
**WARD: WHOLE OF MUNICIPALITY**  
**GENERAL MANAGER: VANESSA SCHERNICKAU, COMMUNITY DEVELOPMENT**  
**PREPARED BY: DAMIAN TYQUIN, COORDINATOR LIBRARIES**  
**TRIM FILE NO: 14/04/14**  
**ATTACHMENTS: Nil**

**PURPOSE**

This report provides Council with a brief background to the procurement and associated contract arrangements for purchasing for the Port Phillip library collection, including a recommendation to Council to utilise a new contract for supply for the next two years with the head contract for participating members being managed by Procurement Australia.

**1. RECOMMENDATION**

That Council:

- 1.1 Awards Procurement Australia Contract No. 1906/0836 to provide library collections, furniture, equipment and associated requirements to Council for a two year period commencing on 1 July 2017 to June 2019, (with an option for a further term of two years.)
- 1.2 Notes that the contract sum is for an approximate sum of \$1.57M exclusive of GST for the initial two year period together with a possible equivalent sum of \$1.57M should the two twelve month extension options be activated.
- 1.3 Affixes the Common Seal of the Port Phillip City Council to Contract No. 1906/0836 between Council and Procurement Australia

**2. BACKGROUND**

- 2.1 Purchasing for the Port Phillip library collection has been administered for a number of years now via a panel of local suppliers, with the head contract being held by Procurement Australia (PA). This has incorporated both the direct supply of library collection materials, as well as the provision of associated support activities such as cataloguing, end-processing and shelf-ready services.

The current contractual arrangements for Port Phillip Library collection purchasing expired on 30 June 2017. The tender to establish new contract arrangements was advertised in The Herald Sun on Wednesday 1 February 2017 and closed on Wednesday 1 March 2017. The proposed contract term is from July 2017 to June 2019 which includes a possible two by one year extension options.



Procurement Australia, with support of the Municipal Association of Victoria, undertook a public tender process for the subject contract on behalf of its participating members within Victoria, New South Wales, South Australia, Queensland and Tasmania.

The scope of services being requested was also extended to now include the supply of library furniture, self-service circulation (via RFID solutions) and library management systems (incorporating the public access catalogue, and search and retrieval functionality, etc).

The contract is for the provision of Library Collections, Furniture, Equipment & Associated Requirements including a complete range of services as defined is sought to fulfil the requirements of Procurement Australia Members in the following Categories:

- Category 1 - Printed Material - English
- Category 2 - Printed Material - LOTE (Languages Other Than English)
- Category 3 - Large Print Material
- Category 4 - Printed Magazines and Newspapers - English
- Category 5 - Printed Magazines and Newspapers - LOTE
- Category 6 - Digital Collections – English & LOTE
- Category 7 - Audio/Visual Materials - English
- Category 8 - Audio/Visual Materials -LOTE
- Category 9 - Full Shelf Ready Services, Unbundled Cataloguing Services and/or Processing Services
- Category 10 - Associated Support Services
- Category 11 - Library Management System (LMS)
- Category 12 - Radio Frequency Identification (RFID)
- Category 13 - Library Furniture and Shelving
- Category 14 - Digital Discovery and Evaluation Tools

In order to ensure adequate service cover to members, tenders were evaluated by category, and thus contract is awarded by category.

The tender evaluation for this contract was conducted by the Tender Reference Group, a group comprised of selected member representatives with chair responsibilities undertaken by Procurement Australia.

All reference group members signed the standard form indicating they had no conflict of interest to declare and that they would keep the tender information confidential.



2.2 The following evaluation criteria and weightings were used for this request for tender:

| Selection Criteria  | Weighting | Sub Weighting     | Sub- Criteria   |
|---|-----------|-------------------|---|
| <b>Compliance with Specification</b>                              | 60%       | 0%<br>(mandatory) | 1. Relevant insurance (Public Liability, Product Liability)<br>2. Compliance with the submission requirements<br>3. Compliance with the terms and conditions of the tender<br>4. Compliance with terms and conditions of the contract |
| <b>Customer (as Members) Focus</b>                                |           | 35%               | 1. Product/Service Diversity<br>2. Customer Satisfaction<br>3. Value Added Products/Services  |
| <b>Contractors Performance</b>                                    |           | 50%               | 1. Responsiveness and Reliability of Products/Services (Resources sufficiency)<br>2. Relevant expertise and experience<br>3. Quality Management and Continuous Improvement<br>4. Contract Management & Reporting                      |
| <b>Corporate Social &amp; Supply Chain Responsibility Profile</b> |           | 15%               | 1. Corporate Governance<br>2. Environmental and Supply Chain Impact<br>3. Workplace Practices & Social Impact   |
| <b>Price</b>  | 40%       | 100%              | 1. Tendered base price<br>2. Tender Base Price Structure (Currency)<br>3. Pricing review/variation scheme<br>4. Other applicable financial factors  |



**2.3 Tenders received and Evaluation**

A total of 71 companies downloaded tender documents via the tenderlink website, and a total of 61 companies submitted their tenders for consideration.

The following Tenderers downloaded the tender documents from the Tenderlink website as per instructions in the advertisement:

| Tender Documents Downloaded            |  |
|--|--|
| Tenders Submitted                      |  |
| Abax Kingfisher Pty Ltd                | James Bennett Pty Ltd                              |
| Adilam Technologies                    | Julian Wood Bookseller Pty Ltd                     |
| AFF Solutions (BDM Universal)          | KL Media Pty Ltd Trading as All Access Australasia |
| All Star Comics Melbourne Pty Ltd      | Lewis Logic  |
| ALS Library Services Pty Ltd           | Link Educational Supplies Pty Ltd                  |
| Arab friends Book club                 | Lonsdale Authorised Newsagency                     |
| Aurora Information Technology          | LOTE Libraries Direct Pty Ltd                      |
| Aussie Global Books                    | MDM Entertainment Pty Ltd                          |
| Baker & Taylor, Inc.                   | Merian Books Pty Ltd trading as Farrell's Bookshop |
| Beamafilm Pty Ltd.                     | Metropolis Bookshop                                |
| Bibliotheca RFID Library Systems       | OCLC   |
| Australia Pty Ltd                      | OverDrive  |
| Bolinda Publishing Pty Ltd and Bolinda | Parade Books Pty Ltd                               |
| Digital Pty Ltd                        | Peter Pal Library Supplier                         |
| Books Music & Videos                   | Prenax Pty Ltd                                     |
| Box Hill South Newsagency              | Protect-A-Book                                     |
| C C Books Australia Pty Ltd            | R&W Investments T//A Booked at North Adelaide      |
| Caval Limited                          | Readings Pty Ltd                                   |
| CEI Pty Ltd trading as Raeco           | Resource Furniture Pty Ltd                         |
| Civica                                 | Robert Bruce Short and Jennifer Fay Short trading  |
| D&T Haroutunian Pty. Ltd.              | as Modbury Newsagents                              |
| DDN Consulting Pty Ltd                 | SANZAP Pty Ltd                                     |
| Digital Education Services             | SirsiDynix   |
| DLS Australia Pty Ltd                  | Sound Text Media Pty Ltd                           |
| EBSCO                                  | The Book House                                     |
| Educational Concepts (Sales) Pty Ltd   | The Comic Place                                    |
| F E Technologies Pty Ltd               | The I and S Neal Family Trust trading as           |
| Global Language Books Pty Ltd          | newsXpress Ballarat                                |
| Greek Book Importers                   | Ulverscroft Large Print Books                      |
| Hansol Books                           | Wavesound Pty Ltd                                  |
| Insight Informatics Pty Ltd            | Z & P Cultural Promotion                           |
| Intraspace Pty Ltd                     | Zagreb Croatian                                    |
| iSubscribe Pty Ltd                     | Bookshop   |

**2.4 All tenders were prepared in conformance with the specifications and contract conditions and then referred to the TEP for their review and evaluation.**

A detailed assessment process was subsequently undertaken to review and evaluate the submissions received. The aggregated results from the review process then determined the composition of the recommended panel of providers for participants to select from according to their local business and service needs.



The final weighted score, which takes into account all of the evaluation criteria (including price) has been used to determine the recommended panel of suppliers that Council should engage for the delivery of its library collection purchasing and associated requirements over the next two years.

The following key factors were taken into account in scoring the tenders against the agreed criteria:

## **2.5 Price**

Tenderers were assigned a score for price which has been determined on the basis of the relevant schedule of rates for each category as supplied by each Tenderer.

### **Capacity**

The recommended panel member's rating is supported by their commitment to service the contract as consistent with current resourcing requirements for this service. Panel members have also highlighted their capacity to supplement their standard resources as/if required in peak periods.

### **Relevant Experience**

Supply panel member's ratings are underpinned by the following factors:

- Demonstrated performance including the ability to meet the Key Performance Indicators,
- Proven reliability within the Victorian local government sector as demonstrated by their presence as experienced and well-established providers of library collection and related resource requirements
- In depth knowledge of the public library sector collection and resource requirements, including specialist expertise in emerging formats and new technologies
- Minimal delivery and regulatory risk as demonstrated by the consistent achievement of deadlines, and
- Demonstrated experience and skill in the use of cataloguing services and the provision of 'shelf ready' materials.

### **Financial Evaluation**

A comprehensive financial evaluation was conducted of the shortlisted tenderers.

### **Reference Checks**

All of the recommended shortlisted tenderers have submitted appropriate business and customer service references which were subsequently verified through the evaluation process.

## AGENDA - ORDINARY MEETING OF COUNCIL – 4 OCTOBER 2017



A summary of the scoring methodology and the aggregated scores per supplier across each category is provided below:

### Scoring Methodology – Category 1 (Inclusive) to Category 8 (Inclusive)

Scoring is calculated against the weightings applied to each criterion.

|  |            |
|--|------------|
| <b>Non-Price related criteria:</b>         | <b>60%</b> |
| Compliance with Specifications – Mandatory | 0%         |
| Customer Focus                             | 35%        |
| Contractors Performance                    | 50%        |
| Corporate and Social Responsibility        | 15%        |
| <b>Price related criteria*:</b>            | <b>40%</b> |
| Tendered Discount Structure                | 50%        |
| Tender Base Price Structure (Currency)     | 10%        |
| Pricing review/variation scheme            | 20%        |
| Other applicable financial factors         | 20%        |

### Scoring Methodology – Category 13

Scoring is calculated against the weightings applied to each criterion.

|  |            |
|--|------------|
| <b>Non-Price related criteria:</b>         | <b>60%</b> |
| Compliance with Specifications – Mandatory | 0%         |
| Customer Focus                             | 35%        |
| Contractors Performance                    | 50%        |
| Corporate and Social Responsibility        | 15%        |
| <b>Price related criteria*:</b>            | <b>40%</b> |
| Tendered Discount Structure                | 10%        |
| Tender Base Price Structure (Unit Price)   | 70%        |
| Pricing review/variation scheme            | 10%        |
| Other applicable financial factors         | 10%        |

### Scoring Methodology – Category 9 (Inclusive) to Category 12(Inclusive) and Category 14

\*The price related criteria are not applicable for above categories, because these categories are more projects based, where customisation will likely be required. These categories will be solely based (100%) on non-price related criteria to evaluate and set up the panel, noting the tender will not call for pricing at this stage.

Individual RFQ will be conducted under the contract within the panel suppliers when needed and quotations will be sourced.

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|--|-------------|
| <b>Non-Price related criteria:</b>         | <b>100%</b> |
| Compliance with Specifications – Mandatory | 0%          |
| Customer Focus                             | 35%         |
| Contractors Performance                    | 50%         |
| Corporate and Social Responsibility        | 15%         |

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| <b>Non-Price related criteria:</b>         | <b>100%</b> |
| Compliance with Specifications – Mandatory | 0%          |
| Customer Focus                             | 35%         |
| Contractors Performance                    | 50%         |
| Corporate and Social Responsibility        | 15%         |

Each of the above criteria is broken down into sub criteria and a sub weighting is applied totalling the criteria weighting.

Scores are then applied to each sub criterion and a calculation is made against the sub weighting.



1. Customer Focus (35%)
  - a. Product/Service Diversity (10%)
  - b. Customer Satisfaction (15%)
  - c. Value Added Products/Services (10%)
2. Contractor Performance (50%)
  - a. Responsiveness and Reliability of Products/Services (Resources sufficiency) (15%)
  - b. Relevant expertise and experience (10%)
  - c. Quality Management and Continuous Improvement (10%)
  - d. Contract Management & Reporting (15%)
3. Corporate Social & Supply Chain Responsibility Profile (15%)
  - a. Corporate Governance (5%)
  - b. Environmental and Supply Chain Impact (5%)
  - c. Workplace Practices & Social Impact (5%)

The Tenderers response is compared to the Tender specification and industry best practice. The following general scoring is applied based on the Tenderers' response.

*0 – No response*

*1 – Marginal response – Tenderer's response is way below the minimum requirement*

*2 – Inadequate response provided but still have gaps to meet minimum level required*

*3 – Acceptable response – Tenderer's response addressed the minimum requirement*

*4 – Above average response – Tenderer's response exceeded the minimum requirement*

*5 – Outstanding response – Tenderer's response addressed all requirements and exceeded some/all requirements*

Aggregate scores across each of the major categories were then used to determine the final composition of the panel for all major collection formats and associated library services, including the provision of RFID (self-service circulation), library furniture and shelving, and the supply of Library Management Systems (i.e. online public catalogue, etc).

### **3. KEY INFORMATION**

- 3.1 The Port Phillip public library lending collection is a significant Council asset in cultural, education and recreation terms. It currently comprises more than 200,000 items across a wide range of hard copy, online and digital formats.
- 3.2 The current budget allocation for 2017/18 (for capital expenditure purchases) is \$785K. Additional amounts of operational expenditure are also allocated to items such as magazines and serials, as well as subscription-based online and digital resources.
- 3.3 Library collection development is broadly based on sound principles of equitable access to information and intellectual freedom. The acquisition of resources for the public library lending collection is managed through a mix of standing orders and purchase plans (e.g. for some databases and e-resources), as well as orders based on collection profiling, requests and purchases informed by the library's collection management guidelines.



- 3.4 This includes fiction and non-fiction books, e-resources, magazines and journals, audio visual material (CD's, DVD's etc), as well as subscriptions to a variety of electronic resources, such as databases and online content. These are all made accessible via the public catalogue hosted on the library/heritage website as well as on-site in library branches.
- 3.5 Procurement Australia has effectively administered collective purchasing arrangements for library collection resources on behalf of the sector for many years now. This has included coordination of a public tender process to establish a panel of supply, with PA managing the overall head contract on behalf of members, with individual libraries then coordinating their own local procurement and sub-contract arrangements in line with their particular service needs.
- 3.6 Port Phillip Libraries commenced a contract relationship with PA in 2011/12, using a group of suppliers selected from PA's mater panel that offered the best fit in terms of local format and collection development priorities, as well as providing best value.
- 3.7 A key benefit of continuing with the established collective purchasing arrangements administered via PA is the opportunity to access a wider pool of potential suppliers than might otherwise be possible, along with the economy of scale gains to be derived from significant supplier discounts and supply chain efficiency.
- 3.8 Subsequent to Council approval, the library will then make individual contact with each of the preferred panel of local suppliers (via form letter), indicating Council's decision to utilize PA contract I906/0836 - Library Collections, Furniture, Equipment & Associated Requirements.
- 3.9 Based on experience to date with panel-based arrangements for library purchasing, including coverage for the main formats and streams across the collection, we anticipate the Port Phillip supply panel will comprise between 15-20 members.
- 3.10 Subsequent to Council approval for Libraries to utilise the PA Contract, we would anticipate new procurement arrangements to be in place with individual supply panel members by the end of October 2017.





## **FURTHER SUPPORTING INFORMATION**

### **4. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY**

- 4.1 The library collection contract supports and enables Council to deliver the following outcomes in the Council Plan 2017-2027:
- 4.1.1 A financially sustainable, high performing, well governed organisation that puts the community first – 6.1, and
  - 4.1.2 A City where arts, culture and creative expression is part of everyday life – 5.3.

### **5. CONSULTATION AND STAKEHOLDERS**

Council has undertaken an initial consultation with the key stakeholders, primarily the relevant officers with subject expertise in library collections and associated services. The consultation process has assisted with the development of the specification and ensures the project will meet the community expectations.

### **6. LEGAL AND RISK IMPLICATIONS**

- 6.1 An effective and responsive process of managing acquisitions for the public library service is important to enable Council to meet community expectation and maintain a consistent level of customer service delivery. Procurement Australia is well resourced with experienced personnel and this should ensure that Council avoids risk that may lead to financial loss or have a negative impact on the Council's reputation.
- 6.2 All tenderers operate a fully endorsed OHS system.
- 6.3 All tenderers complied with the insurance requirements, including public liability and professional indemnity coverage.

### **7. SUSTAINABILITY – Triple Bottom Line**

#### **7.1 ENVIRONMENTAL IMPLICATIONS**

- 7.1.1 There are no significant environmental implications associated with the recommendations from this report.

#### **7.2 SOCIAL & CULTURAL IMPLICATIONS**

- 7.2.1 The library collection contract supports the continued maintenance and development of the Port Phillip library public lending collection, managed according to the guidelines outlined in the library's collection development protocols.

#### **7.3 ECONOMIC IMPLICATIONS**

- 7.3.1 A key benefit of continuing with the established collective purchasing arrangements administered via PA is the opportunity to access a wider pool of potential suppliers than might otherwise be possible, along with the economy



of scale gains to be derived from significant supplier discounts and supply chain efficiency.

**7.4 FINANCIAL IMPLICATIONS**

7.4.1 The expected gross cost of using the preferred panel of suppliers over the next four years is \$3.1M excluding GST. This being in accordance with budgetary projections for the service.

7.4.2 The purchasing structures incorporated into the head contract and administered by Procurement Australia on behalf of members provides the best value for Council.

**8. IMPLEMENTATION STRATEGY**

**8.1 TIMELINE**

8.1.1 The recommendation to award the contract to Procurement Australia will ensure a smooth transition to a new panel of suppliers for library purchases with minimal risk to Council, and reduce any impact associated with lack of business continuity.

8.1.2 Subsequent to Council approval of the recommendation for Port Phillip Library Service to utilise the contract for provision of library materials and associated requirements, Council officers shall contact those panel members identified as appropriate to local business requirements, indicating its intent to utilise the PA contract for supply of library materials and services

8.1.3 We would aim to have these arrangements in place by the end of October 2017.

**8.2 COMMUNICATION**

8.2.1 In their role as administrator of the tender process, Procurement Australia has undertaken to notify all unsuccessful tenderers. The PA Contract Manager shall invite debriefs from all unsuccessful tenderers if/as required.

8.2.2 Council officers will advise all relevant library vendors and third party suppliers with appropriate information about the updated contractual arrangements for managing library collection procurement.

**9. OFFICER DIRECT OR INDIRECT INTEREST**

9.1 No officers involved in the preparation of this report have any direct or indirect interest in the matter.