Lambeth

Officer delegated decision

Decision Due: 13 December 2013

Installation of RFID self-service technology in Lambeth Libraries

Wards: All

Report Authorised by: Strategic Commissioning Director, Helen Charlesworth-May

Portfolio: Cabinet Member Culture and Leisure: Councillor Sally Prentice

Contact for enquiries:
sbarnes@lambeth.gov.uk
Susanna Barnes, Library Manager Operations and Communities, 020 7926 0518

Report summary

This report requests a waiver for the appointment of Bibliotheca for the implementation of RFID (Radio Frequency Identification) and self-service in Lambeth Libraries. RFID technology improves stock management and security and allows over 85% of borrowing transactions to be self-service, freeing up staff to support customers using the library and accessing online services.

Bibliotheca was selected as the supplier for the new Clapham Library in early 2012, under the ESPO framework agreement 350 (RFID in Libraries). Libraries are seeking a waiver to use the same supplier for the remaining libraries to avoid Lambeth having to integrate with two different RFID systems and to take advantage of Bibliotheca's *My Community* feature, which allows residents to carry out other Council transactions and payments using the self-service machines. This supports the wider Customer Access programme being implemented by the Council.

Finance summary

The indicative figure for purchase and installation of RFID technology is £373,420 for RFID machines and equipment, stock tags, building survey and installation. There is an approved budget of £433,000 in the Capital Investment Programme and this is from invest to save finance funding for the Libraries RFID project has been allocated from invest to save finance. The delivery of the programme will start in the final quarter of 2013-14 and be completed in the first half of 2014-15. The savings are being realised as part of the £750,000 reduction in the Libraries and Archives budget. There will be a further annual revenue cost equating to £44,930 in total over the remaining three and a half years of the contract for the maintenance of machines.

Recommendations

1. That Bibliotheca Ltd is appointed to supply, deliver and install RFID technology in 8 Lambeth Libraries and upgrade equipment in the other 2 Libraries.

2. To approve the necessary waiver in accordance with the provisions of the Procurement Guide 8.1 in order that this contract is awarded.

1.   Context

1.1   The Lambeth Libraries Commission in 2011 gathered evidence on best practice from across the country in order to develop a vision for the Lambeth Library Service that would secure the desired outcomes whilst achieving the required savings (£750,000). One of the Commission's conclusions was that in order to move towards a fit for the future, affordable service that can support the delivery of the Council's objectives modernisation is imperative. The key to modernisation is a need to embrace new technology, in particular Radio Frequency Identification (RFID) and self-service technology.

1.2   RFID technology is common in many libraries across the UK. At its most basic it can allow citizens to deposit and borrow items (books, CDs, DVDs) using self-service machines. A more advanced version also allows people to make non-library related payments to the Council (e.g. Council Tax and rent). The Commission reached the view that the introduction of RFID self-service technology into the Lambeth Library Service was critical both to ensure the future sustainability of the service and to support the introduction of co-production and adoption of a cooperative model.

1.3   In 2012 self-service technology and RFID were procured for Clapham Library. Using the ESPO framework agreement 350 (RFID in Libraries) Lambeth invited all the suppliers listed in the framework to be part of the secondary competition out of which four organisations submitted bids. The evaluation was conducted on the basis of the most economically advantageous tender with 60% quality / 40% price split. Following a robust process, the tender panel propose to award the contract to Intellident, now Bibliotheca, on the basis of the most economically advantageous tender. They were deemed to offer the best value for money as well as the required functionality and aesthetics for an RFID solution at Clapham library. The contract was awarded in 2012 for £120,000 plus an ongoing maintenance of £8,057.60 per annum for five years.

2   Proposal and Reasons

2.1   It is proposed that Bibliotheca should be used to install their self-service solution in the rest of the Lambeth Libraries for the following reasons:

- They have already been selected as providing the best value and solution for Lambeth, using a framework agreement and a mini-competition for the installation at Clapham Library.

- This system is already in place at Clapham Library and installed at Upper Norwood Joint Library and to adopt a different supplier at the stage would mean running two RFID systems concurrently in Lambeth or spending extra money to change these libraries to a different supplier

- The IT solutions required to roll out Bibliotheca have already been successfully implemented at Clapham Library. A new supplier would require Lambeth's IT to find solutions and test integration with existing software. This would not only have a cost

for the Council in terms of time required for the project from Lambeth's IT, when they are already rolling out several major IT projects in Lambeth, but it would also increase risk to the project's success as the solutions would not have had the year's successful track record of testing that the current system has had.

- Bibliotheca offer a unique "My Community" option on their self-service kiosks so they can be used for more than library transactions. This will allow Lambeth residents to make payments for Council services in libraries and carry out Council transactions. This is key in supporting the Customer Access programme and supporting residents in carrying out online transaction. In addition, Bibliotheca has an arrangement with Capita to include payment functionality via pay.net and AIM which are Lambeth's preferred products for online and automated payments. The kiosks are unique to other digital / self-service provisions Lambeth is using in two key ways: they can take cash payments, and the selected services are be simplified for people who don't use the internet (ie compared to web transactions). Other RFID providers do not offer the My Community product which is an important part of the Council's wider aims for improving customer access.

2.2 A waiver is therefore being sought as an exemption under Contract Standing Order 8.1: Demonstrable best interest.

2.3 An alternative option would be to tender again using the framework agreement. However, as outlined above this would add extra cost to the Council, would remove key benefits and introduce risk. A tender not using the framework agreement would again add cost to the Council without any identified benefits.

3 Finance

3.1 This project is funded from a £433,000 invest to save capital fund. There is presently no reported expenditure against this fund therefore there is sufficient funding to cover the indicative cost of £373,420 for the purchase of equipment and installation across eight of Lambeth's libraries.

3.2 Bibliotheca would provide a free upgrade for Clapham Library and install Clapham's old machines into Upper Norwood Joint Library. They are also providing further discounts on the current contract price. The free upgrade and discounts come to £138,760 in total.

It is anticipated that in 2013-14 £295,000 will be spent out of the £373,420 with the remaining £78,420 spent in 2014-15.

There will be an annual revenue cost to the Library Service of £16,840, which can be covered from remaining budgets for the service. This comprises of £12,840 annual maintenance charge from Bibliotheca, which will be £44,930 over five years. The existing annual maintenance charge for Clapham of £8,057.60 will cease and this new charge, which provides economies of scale, will cover all libraries. There will also be £4,000 annual licence charge from Capita for licences to link to the Library Management System.

4 Legal and Democracy

4.1 The Council has delegated the authority to award this contract to the Strategic Director of Commissioning. Before exercising that authority, the approval of Procurement Board Two must be obtained.

4.2   Calling-off contracts from a properly procured framework is compliant with both the Procurement Guide and the Public Contracts Regulations 2006 provided the Council was named or was part of an identifiable group cited in the original OJEU notice.

4.3   The Council's Constitution requires that all decisions which involve resources between the sums of £100,000 and £500,000 must be published on Officer Decisions for five clear days before the decision is approved by the Director concerned.   Any representations received during this period must be considered by the decision-maker before the decision is taken.

5   Consultation and co-production

5.1   In 2011 extensive community consultation took place across Lambeth about the future of Lambeth Libraries as part of the Library Commission. Part of the Commission's conclusions was that modernisation is imperative to meet the expectations of the community. Key to modernisation is the adoption of new technology, in particular Radio Frequency Identification (RFID) and self-service technology. As part of the consultation citizens were asked for their views on how Lambeth Council could make financial savings. The most popular suggestion, with 66.5%, was introduce a self service book system – RFID technology. The Commission reached the view that the introduction of RFID self-service technology into the Lambeth Library Service was critical both to ensure the future sustainability of the service and to support the introduction of co-production with the community and adoption of a cooperative model.

5.2   In Clapham Library, where self-service has already been introduced, a survey of customer satisfaction in March 2013 showed the library was rated as good or very good by 90% of respondents, all other libraries apart from Carnegie (also 90%) had lower satisfaction levels. This showed that self-service had no had a negative impact on satisfaction levels and had a positive impact by reducing queues and improving stock availability.

5.3   Friends Groups and the local community will be involved in the new layouts for self-service in their local library and have been kept updated on the introduction of self-service.

The use of the self-service machines to help people undertake council transactions and payments, provides greater choice for residents by delivering a network of access points across the borough. The Library Service has worked closely with the Customer Access staff in developing this.

6 Risk management

6.1 The ESPO framework provides us with suppliers that have been vetted for the installation of RFID and self-service solutions in libraries. The supplier that was selected for this process for Clapham Library, Bibliotheca, has a proven track record in successful delivery at Clapham, which minimises the risks as the IT solutions required have already been achieved. Libraries will work with Lambeth IT to adjust the implementation timetable as needed, matching capacity within the Council for the programme to be rolled out effectively. This will have no negative impact in the overall programme.

Risk	Original Risk		Mitigating Actions	Residual Risk	
	Likeli-hood	Impact		Likeli-hood	Impact
Delay to implementation process	2	3	Work closely with supplier to ensure agreed project deadlines are met	2	2
Potential staff, Trade Union and public opposition to the introduction of RFID technology	2	2	Involve staff, trade unions and public (via Friends of Libraries groups) representation. Communication plan to be developed for staff and public Training rolled out to all staff As already at Clapham Library with this supplier use this library to familiarise staff	2	1
Increase in costs above budget	2	2	Work with supplier and IT to manage scope so that within budget.	1	1
Insufficient staff capacity to implement	2	3	Phased introduction to allow work to be programmed within existing resources Impact on capacity of IT staff minimised by	1	2
Compatibility issues between RFID and Library Management System	1	3	Extensive experience from working with Bibliotheca at Clapham Library to be used in implementation	1	2

Likelihood:

- 1 = Very Unlikely (up to 10% chance of occurrence)
- 2 = Unlikely (between 10% and 40% chance of occurrence)
- 3 = Likely (between 40% and 75% chance of occurrence)
- 4 = Very likely (more than 75% chance of occurrence)

Impact:

- 1 = Minor Impact (up to 10% effect on cost/ time)
- 2 = Significant Impact (between 10% and 20% effect on cost/ time)
- 3 = Serious Impact (between 20% and 50% effect on cost / time)
- 4 = Major Impact (over 50% effect on cost/ time)

7   Equalities impact assessment

7.1   The overall Cooperative Libraries programme has been subject to a number of Equalities Impact Assessments. The last update was completed in May 2013 and accompanied the Cooperative Libraries Implementation report, which was presented to Cabinet in June 2013.

7.2   An Equalities Impact Assessment was completed for the Invest to Save Business case and indicated high positive impact through the introduction of RFID technology. Equipment has been evaluated to ensure that it is fully compliant with the Disability Discrimination Act in terms of the height of the self-service terminals, access through security gates, visible display and sound. Kiosks will also provide functions in a number of major community languages used in Lambeth.

8   Community safety

8.1   The procurement of RFID technology has no crime and disorder implications.

9   Organisational implications

The restructuring of the Library Service which is currently being consulted on embeds the use of new technology in delivery and roles of staff. The introduction of new technology supports the release of required savings for the service. The self-service machines also support the Customer Service initiative as residents will be able to carry out Council payments and access services on them. This supports improving online access by residents.

9.1   Environmental

There are no environmental implications

9.2   Staffing and accommodation

Staff have already adapted this new style of work at Clapham Library and remaining staff will receive training and risk assessment for any disability to ensure they are supported in change of work practice. Unions will be involved at all stages.

9.3   Procurement

In 2012, using the ESPO framework agreement 350 (RFID in Libraries) Lambeth libraries held a mini-competition amongst the suppliers listed in the agreement, to determine the best possible solution to implementing RFID and self-service at the new

Clapham library. We invited suppliers to reply to a specification we created and also provide demonstrations of their equipment and solutions. Intellident, now known as Bibliotheca, were awarded the contract for installation of RFID and Self-Service Kiosks in Clapham library from 26th May 2012 – 7th June 2012 at a cost of £120,000 along with maintenance for a period of 5 years starting on the 8th June 2012 (until 7th June) at a cost of £8,057.60 per annum (total £40,288).

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9.4   Health

There are no health implications.

10   Timetable for implementation

The table below shows the stages, milestones and deadlines for implementing the contract. However, the installation dates may be slightly extended to work within the available capacity of Lambeth IT.

Recommendation agreed by Procurement Board 2	26 November 2013
Published on decisions on line	13 December 2013
Decision taken under delegated authority	19 December 2013
Anticipated contract start date	3 January 2014
Installation Brixton, Tate South Lambeth, Durning, Waterloo, Streatham Libraries and upgrade at Clapham and Upper Norwood Libraries Library	January – March 2014
Installation Carnegie, West Norwood and Minet Libraries and Archives	April – May 2014
Gateway Four report due	September 2014
First contract performance review	April 2014

Audit trail				
Consultation				
Name/Position	**Department or Organisation**	**Date Sent**	**Date Received**	**Comments in para:**
Adrian Smith	Strategic Director	14/11/13	20/11/13	
Michael O'Hora	Governance and Democracy	14/11/13	19/11/13	4
Tim Stephens	Governance and Democracy	14/11/13	20/11/13	4.3
Solomon Akuffo	Finance	14/11/13	19/11/13	
Hamant Bharadia	Finance	14/11/13	19/11/13	
Cllr Sally Prentice	Cabinet Member:	14/11/13	15/11/13	
Cathy Twist	Delivery Director	14/11/13	19/11/13	
David Ashmore	Divisional Director	14/11/13	20/11/13	
David Mansfield	Procurement	14/11/13	15/11/13	
Chris Sipidias	Head of Community Hubs	14/11/13	15/11/13	
Andrea Hurley		27/11/13	9/12/13	
External	None			
For internal reports, list internal meetings where issue has been considered				

Report history	
Original discussion with Cabinet Member	14/11/13
Report deadline	XX.XX.13
Date final report sent	14/11/13
Report no.	/13-14 Democratic Services to complete
Part II Exempt from Disclosure/confidential accompanying report?	Yes/No
Key decision report	No
Date first appeared on forward plan	XX.XX.13
Key decision reasons Delete as appropriate	EITHER 1. Will amend Community Plan Outcomes Framework or Budget and Policy Framework OR 2. Expenditure, income or savings in excess of £500,000 OR 3. Meets community impact test
Background information	Co operative Libraries Cabinet report July 2012 http://www.lambeth.gov.uk/moderngov/ieListDocuments.aspx?CId=225&MID=8105#AI18384 Co operative Libraries Cabinet report October 2012 http://www.lambeth.gov.uk/moderngov/ieListDocuments.aspx?CId=225&MID=8107

Appendices	
	None.

APPROVAL BY CABINET MEMBER OR OFFICER IN ACCORDANCE WITH SCHEME OF DELEGATION

I confirm I have been consulted on this report:

Signature _____ Date _____

Chris Sipidias

Post : Head of Community Hubs

I approve the above recommendations:

Signature _____ Date _____

Post Helen Charlesworth-May

Strategic Commissioning Director

Any declarations of interest (or exemptions granted):

Issue   **Interest declared**