

Lee County Board Of County Commissioners				Blue Sheet No. 20130434	
Agenda Item Summary					
1. ACTION REQUESTED/PURPOSE: (A) Approve Bid Waiver # W-130199 to waive the formal quotation procedure, and allow the Lee County Library System (LCLS) to establish Unique Management Services, Inc. (UMS) as a sole source provider for the following services: collection of library patron overdue fines and fees; and recovery of lost library materials. (B) Approve and authorize the Chair to execute on behalf of the Board the attached Purchasing Agreement, which provides for one year of service with the option to renew for four additional one year periods. Total term of contract with renewals: April 29, 2013 through April 28, 2018. (C) Authorize estimated annual expenditures for existing and expanded services of \$126,000 for FY 12-13 and \$110,000 for the subsequent four year periods. [The average annual expenditure for existing service (UMS Standard Balance Program) over the past four years is \$87,500. The anticipated increase stems from implementing a UMS Small Balance Program to target small patron account balances (less than \$25) and industry standard more expansive credit reporting services. The higher cost for FY 12-13 of \$126,000 additionally stems from the start up of the Small Balance Program to retroactively pick up all eligible accounts starting January 1, 2012. As with the existing service agreement, UMS charges will be budget neutral.]					
2. FUNDING SOURCE: Fund - Library Fund, Program – Library Services, Other Contracted Services (included in the FY 12-13 Operating Budget for UMS’s existing services) plus FY 12-13 lapse salary dollars to cover the unanticipated retroactive accounts for Small Balance Program start up.					
3. WHAT ACTION ACCOMPLISHES: Authorizes a sole source provider to continue handling the collection of library patron overdue fines and fees and recovery of lost library materials.					
4. MANAGEMENT RECOMMENDATION: Approve					
5. Departmental Category: <DeptCategory>				6. Meeting Date: 5/21/2013	
7. Agenda: Administrative		8. Requirement/Purpose: (specify) <input type="checkbox"/> Statute <input type="checkbox"/> Ordinance <input checked="" type="checkbox"/> Admin Code AC-4-1 <input type="checkbox"/> Other		9. Request Initiated Commissioner: Department: LIBRARY Division: No Divisions By: Sheldon Kaye	
10. Background: On March 26, 2013, the Division of Procurement Management received a request from the Lee County Library System to waive the formal quotation procedure and establish Unique Management Services, Inc. as the sole source for the following services: collection of library patron overdue fines and fees; and recovery of lost library materials. This waiver is requested because the vendor offers the only collection service specifically designed to interface with the Polaris integrated library system (LCLS’ system provider.) The Lee County Library System (LCLS) purchased the Polaris Integrated Library System (ILS) software in 2008 at a base price of \$475,012. This system supports library materials acquisitions and cataloging; provides a catalog for customers to view and					
11. Required Review:					
Sheldon Kaye	David Harris	Dawn Perry-Lefnert	Holly Schwartz		
LIBRARY	Budget Services	County Attorney	County Manager		
12. Commission Action:					

select library materials for their use; manages the circulation of library materials (check in and out); houses the patron registration database; and, manages patron accounts including the ability to track patron overdue fines and fees. The software is vitally important for library processing center operations, the branches, fiscal operations, and the public.

In 2008, LCLS formally sought the services of a recovery agency through Procurement. A formal quote was posted with a response from a sole quoter --Unique Management Services. On April 29, 2008, (Blue Sheet #20080433) the Board authorized Procurement and LCLS to negotiate with this firm for service. A five year contract was negotiated.

UMS services strictly library accounts. Library accounts are different in that recovery includes not only patron fines and fees but also lost materials. UMS is the only nationwide, library specific material and fine recovery agency. What makes the service even more noteworthy to the County is the fact that ILS software provider Polaris specifically designed a software interface with UMS to facilitate UMS recovery's efforts. The Polaris/UMS partnership has been in place for more than ten years. (See attached letter from Polaris Library Systems.)

UMS's efforts have been very successful and time efficient for the LCLS using this interface and further provides the ability to produce a variety of reports from the LCLS patron database. The Library System has no intention in changing to a different ILS software provider in the foreseeable future.

UMS actually began providing service to LCLS in 2007 prior to going out to bid in 2008. To date, their efforts have resulted in the recovery of \$2,962,000 in the value of materials returned and \$918,000 in cash received for a total value of \$3,880,000. This represents an asset return ratio of nearly 7:1 for both materials and cash recovery; a return ratio of 1.6:1 for cash recovery; and a return ratio of 5:1 for materials recovery.

The current UMS contract expires in April 2013. The current UMS charge to the Library System per patron account is \$8.45; for the following five years, the proposed cost will be \$8.95 per account. The increase stems from the Library's request to include more expansive credit report servicing. The Library System assesses a \$10 fee to the patron (for accounts reaching \$25 in fines and fees) at the time the account is submitted to UMS to cover UMS's \$8.95 fee.

Additionally, the Library plans to implement UMS's Small Balance Program in the near future at a cost of \$2.95 per account to more aggressively attempt to recover small balances under \$25. The Library System plans to assess a \$3 fee to the patron at the time the account is submitted to UMS to cover UMS's \$2.95 fee. It is anticipated this program will help spur balances to be paid off sooner than later at more financially manageable levels, resulting in a reduction of total expenditures to UMS in the future.

Annual estimated expenditures for extending the existing Standard Balance Program service for future accounts will be \$80,000. The annual cost will be based on the number of patron accounts submitted to UMS for recovery. Over the past four fiscal years the average annual cost has been \$87,500. A new proposed service (Small Balance Program) to target accounts with balances under \$25 is proposed to be added to the existing service at an estimated annual cost of \$25,000 (based on the number of projected patron accounts to be submitted to UMS for small balance recovery.) A one-time additional \$21,000 expenditure (for FY 12-13 only) will service qualified existing small balance accounts for the period of 1/1/12 through 9/30/12 (from FY 11-12) which would be the starting point for servicing small balance accounts.

Total estimated annual expenditure is \$126,000 for FY 12-13 and \$110,000 annually for the subsequent four years.

Please note UMS guarantees budget neutrality. This means that UMS guarantees not to charge in collection fees more than the amount of money recovered. UMS will make adjustments to invoices to ensure service is budget neutral based on billings to date and cumulative cash recovered. UMS makes this guarantee to clients (such as the Lee County Library System) which UMS determines have an acceptable fine structure.

Therefore, it is requested that (1) UMS be considered a sole source based on the dual purpose of its services and the

interface for UMS specifically designed by the ILS provider; and, (2) approval of a new Purchasing Agreement with UMS to continue service and expand service at the stated new rate and term.

Account String: KG5710114800.503490.162 Library Admin--Other Contracted Services

Attachments:

- (1) Request for Bid Waiver
- (2) Justification for Waiver Purchase
- (3) Sample Purchasing Agreement
- (4) Quote from Unique Management Services (UMS)
- (5) Letter from Polaris Library Systems