
**Reaching Across Illinois Library System (RAILS)
Request for Sorting and Delivery Proposals (RFP) Project 2020-2021**

**Consultant's Recommendations
Presented by Greg Pronevitz**

Goals

This RFP project was launched with the goal of evaluating the cost of sorting and delivery services as proposed by potential vendors as compared with RAILS internal costs to ensure that RAILS operates efficiently and cost effectively. Greg Pronevitz, the consultant, worked closely with Mark Hatch, Delivery and Facilities Director, throughout the project. As the project progressed toward decision-making, Monica Harris, Associate Executive Director and Jim Kregor, Director of Finance, became directly involved.

The RFP project was preceded by an extensive study and request for information (RFI) project coordinated by the same consultant. The study and RFI results were issue to RAILS in October 2020. The consultant met with the RAILS Board of Trustees in November 2020 to discuss the report.

Major Observations

Delivery volume shrunk significantly in the early stages of the COVID-19 pandemic and volume is now approaching pre-pandemic levels as libraries have reopened and library users are more active.

A trend to increased pricing for fuel and vehicles and wage pressure within the transportation industry, including services provided by potential vendors, emerged and grew due to the pandemic.

Vendors of automated materials handling systems seem eager to work with RAILS. Although this was not a focus of the RFP, an informative proposal was received.

Recommendations

1. Work with vendors to ensure that proposed pricing is accurate and mutually understood.
2. Offer additional work to current vendor contingent on developing a collaborative relationship and quality improvements.
3. Reconsider the mandatory nature of any vendor conference in future RFPs.

Project Milestones

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| Data Review | December 2020 – January 2021 |
| Draft Request for Proposal (RFP) and Associated Documentation | January-May 2021 |
| RAILS Issues RFP | May 12, 2021 |
| Virtual Meeting with Potential Vendors | June 3, 2021 |
| Respond to Vendor Written Questions | June 24, 2021 |
| Review of Vendor Responses | August 2021 |
| Follow Up with Vendors | September-November 2021 |
| Issue Recommendations | December 2021 |

Data Review

Reviewed and updated RFI data. 2019 data was normally the most appropriate because 2020 was skewed toward lower volume due to library closures related to the COVID-19 Pandemic.

Draft RFP

Web-based documentation was developed to simplify distribution and access by vendors.

The response form was designed to encourage RAILS preferred responses, to streamline evaluation, and to allow the response form to become part of any future vendor agreement.

Proposals were sought for delivery only (with RAILS staff providing sorting) and/or for delivery and sorting. We sought detailed proposals that apply library and logistics industry standard best practices to enhance library delivery service. Excellent and cost-effective customer service for library users and member libraries was our primary goal.

Issue RFP

The RFP was promoted widely among all known vendors, in the courier community on LinkedIn, and within the library delivery community.

- [LINK to Announcement](#)
- [LINK to RFP and related documents](#)

Virtual Meeting with Potential Vendors

Registration for the mandatory vendor conference included 26 individuals from 10 firms. RAILS reviewed the schedule and main points in the RFP. Vendors posed several questions. Shortly after the meeting, a vendor contacted us to express the desire to make a proposal. We were unable to accommodate this request due to the vendor's failure to attend the mandatory meeting.

Respond to Written Questions

Vendors posed about 50 questions via the online form. Responses were posted on an ongoing basis until the deadline.

Review Vendor Response

Four responses were received: two from vendors proposing sorting and delivery services and two from vendors of automated materials handling (AMH) systems.

Vendor A proposed sorting and delivery services in the areas served by the Coal Valley, East Peoria, and Rockford service centers. The proposal for services was acceptable while pricing seemed quite high.

Vendor B proposed sorting and delivery services for the Elmhurst area and the Bolingbrook service center area. The proposal for services was acceptable while pricing seemed a bit high.

Responses from AMH vendors lacked proposals to provide sorting and delivery services and, therefore were not considered for a contract. In addition, RAILS has not budgeted for such a purchase or lease and RAILS stakeholders are not prepared to implement automated sorting. These vendors were informed that we could not consider their proposals. Please note that automated and/or semi-automated may be considered in the future because of substantial efficiencies they provide to member libraries.

Recommendations

1. Work with vendors to ensure that proposed pricing is accurate and mutually understood.

Vendor A reduced its per stop pricing by an average of 15 percent for three service centers after discussions with RAILS. The vendor informed us that it was compelled to budget for high costs for labor, trucking, and fuel due to the new pandemic economic conditions in the transportation industry. The revised rates were significantly higher than the anticipated RAILS costs to provide a similar level of service. This vendor was informed that we could not accept its proposal.

Discussions with Vendor B are ongoing although the pricing is more competitive and seem in line with increases faced in another state, after both parties clarified all inputs to the total cost.

2. Offer additional work to current Vendor B, contingent on developing a collaborative relationship and quality improvements.

During the delivery study we learned that members were less satisfied when services were provided by Vendor B than when services were provided by RAILS. While this project did not include such a survey of members, the RAILS delivery team believes that service quality has declined, as they have in other states, during the pandemic.

RAILS is designing a new vendor agreement that calls for improvement in collaboration and quality of services. Should improvements result, RAILS will consider expanding the agreement to include the Bolingbrook service center. This step will result in competitive costs, improved services, and collaboration, with agreed-upon metrics for quality assurance, and, in the long term, reducing cost for the management and overhead for a major part of RAILS services including the Bolingbrook facility, 13 trucks, and most of the 15 full-time equivalent staff members. Some management and staff will continue to take on contract management and new member services roles. Other staff can be reassigned to fulfill higher priority RAILS roles in our environment of high turnover and challenges with employee retention. Trucks can be repurposed at other service centers or disposed of.

3. Reconsider the mandatory nature of any vendor conference in future RFPs.

The transportation industry has gone through major changes due to the pandemic. Vendors that might have made proposals to provide RAILS services in past years declined to make a proposal. One vendor said that there were many other good opportunities for new business without the need to establish a footprint in Illinois. One vendor missed the mandatory vendor meeting but wanted to make a proposal. RAILS should consider the mandatory nature of this meeting in future RFPs to encourage the widest possible participation by vendors. Any information imparted at the conference can be repeated online for vendor review.