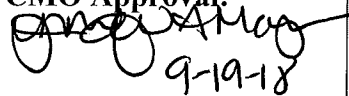


CITY COUNCIL ACTION REQUEST

Department(s): Finance	CEQA: Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment	Coordination: Library Department, City Attorney's Office, and City Manager's Budget Office	Dept. Approval: /s/ Julia H. Cooper
Council District(s): Citywide			CMO Approval:  9-19-18

SUBJECT: ACTIONS RELATED TO PURCHASE ORDER FOR ONLINE LIBRARY PRODUCTS AND SERVICES

RECOMMENDATION:

Adopt a resolution authorizing the City Manager to:

1. Amend Purchase Order 56269 with Califa Group (San Mateo, CA) to increase compensation by \$450,000 for a total compensation not to exceed \$740,000 during the term beginning September 1, 2018 and ending August 31, 2019;
2. Approve a contingency of \$185,000 to amend the purchase order in the event use exceeds current projections, subject to the appropriation of funds; and
3. Execute purchase orders for additional one-year options after August 31, 2019, subject to the appropriation of funds.

Desired Outcome: Continue providing a wide breadth of online learning resources to library patrons.

BASIS FOR RECOMMENDATION:

Califa is a nonprofit library membership consortium of over 220 libraries and is the largest library network in California. Califa brokers and facilitates the procurement of online library products and services, including eBooks, videos, eAudiobooks, magazine databases, and online library services such as career training, testing and education tools, and online language learning resources. Califa negotiates pricing agreements and group purchases with more than 60 library vendors on behalf of California libraries. The City began purchasing through Califa in 2009 and continues to increase its purchases through the organization as more online products and services become available and as library patron utilization continues to increase.

Staff has determined that purchases made through Califa are consistent with San José Municipal Code Sections 4.12.230 and 4.12.240 as the City enjoys significant cost savings through the organization due to its pooled negotiation power. The City saved approximately 25% off of retail pricing (equivalent to an estimated cost savings of \$334,000) by purchasing through Califa during Fiscal Year 2016-17. In addition, purchasing through Califa simplifies the buying process and allows the provision of a wider variety of online products and services for library patrons.

During its yearly review of this purchase request, Staff identified that the projected need for services may exceed 25% of the overall purchase amount. On August 13, 2018, Staff issued PO 56269 for \$290,000, which is within the City Manager's contract authority under San José Municipal Code Section 4.04.020. Approval of this recommendation will allow Staff to amend PO 56269 to increase the maximum compensation to \$740,000.

Commission Recommendation/Input: This item does not have input from board or commission.

Office of Equality Assurance: Not applicable.

This Council item is consistent with the San José Public Library's mission of "enriching lives by fostering lifelong learning and by ensuring that every member of the community has access to a vast array of ideas and information."

COST AND FUNDING SOURCE:

Fund #	Appn #	Appn. Name	Total Appn	Amt. for Recommendation	2018-2019 Proposed Capital Budget Page*	Last Budget Allocation (Date, Ord. No)
393	4078	Acquisition of Materials	\$4,600,000	\$740,000	V-256	06/19/2018, 30124

*The 2018-2019 Proposed Capital Budget was adopted on June 12, 2018.

FOR QUESTIONS CONTACT: Jennifer Cheng, Deputy Director of Finance, at (408) 535-7059