TO: HONORABLE CITY COUNCIL
FROM: CITY MANAGER
DATE: JUNE 20, 2005
DEPARTMENT: LIBRARY
CMR:297:05

SUBJECT: AUTHORIZATION TO RENEW PURCHASE ORDERS WITH BAKER & TAYLOR FOR THE SECOND AND THIRD YEARS FOR THE PURCHASE OF LIBRARY BOOKS, AUDIO VISUAL ITEMS, AND LIBRARY CONTINUATIONS

RECOMMENDATION
Staff recommends that Council:

1. Authorize the City Manager or his designee to exercise the option to renew existing purchase orders with Baker & Taylor in an amount not to exceed a total of $400,000 for each of the second and third contract years for books, audio visual items, and library continuations, provided the City Manager concludes that the contractor has been responsive to the City’s needs, and the quality of the contractor’s products and service has been acceptable during the first year of the contract.

2. Authorize the City Manager or his designee to exercise the option to execute one or more changes to the purchase orders with Baker & Taylor to cover potential future budget amendments resulting from grant funding, the total value of which shall not exceed $40,000 in any contract period.

BACKGROUND
The Library Department purchases the vast majority of new items for its collections from wholesale distributors who maintain large inventories of titles from many publishers and producers. Obtaining books and media through these suppliers offers many advantages over purchasing from individual publishers including:

- higher discounts off of the list, or retail, prices
- larger and more varied inventories
- efficiencies in placing orders and processing payments
- greater use of technologies needed to communicate with library databases and systems
- the option to deliver the books and media circulation-ready with physical processing and cataloging information provided by the supplier.

Every three years, staff issues a Request for Proposal (RFP) to wholesalers who provide these materials to public libraries. Some vendors specialize in providing different types of materials.
Therefore, the RFP is structured so a vendor can propose to provide one or more major categories of library materials such as adult books, children’s books, audiovisual media, and library continuations. Continuations are orders for titles, like travel guides and yearbooks, for which libraries opt to automatically receive each new update. Purchase orders are established with one or more of the vendors that best meet the selection criteria.

The last RFP process for the provision of library materials, completed in April 2004, resulted in the staff recommendation to select Baker & Taylor as the principal supplier for library books, audio visual, and library continuations. Eight vendors were invited to submit bids, and seven responses were received.

As reported in CMR:182:05 sent to Council on March 14, 2005, the initial total dollar amount of the purchase order with Baker & Taylor fell within the limit of the City Manager’s approval authority of $250,000 for goods, including incidental processing services totaling less than three percent. Based on the actual buying pattern experienced in the 2004-05 fiscal year, staff determined that the total contract with Baker & Taylor would exceed the $250,000 by end of the year and returned to Council for authorization to exceed this contract limit.

**DISCUSSION**
At the May 2, 2005 City Council meeting, (CMR:237:05) Council authorized the City Manager to execute a change order to a purchase order with Baker & Taylor in the amount of $68,000 for the purchase of library books for FY 2004-05. Due to the upcoming 2005-07 budget deliberations, the City Council was reluctant to approve the subsequent years of the agreement and directed staff to return for Council approval for the second and third contract years for book, audiovisual items, and library continuations with the 2005-07 budget adoption.

Staff is now requesting that Council authorize the City Manager to approve further purchases with Baker & Taylor in excess of $250,000 for each of the 2005-06 and 2006-07 fiscal years.

**RESOURCE IMPACT**
Funds for these purchase orders are planned for the 2005-06 and 2006-07 fiscal years.

**POLICY IMPLICATIONS**
This recommendation does not represent any change to existing City policies.

**ENVIRONMENTAL REVIEW**
This does not constitute a project under the California Environmental Quality Act. Therefore, no environmental assessment is needed.

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