

**Council Meeting: October 22, 2013****SUBJECT: Authorization to Modify an Existing Contract for Library Printed Materials (F14-29)****BACKGROUND**

Approval is requested to modify an existing short-term contract with Ingram Library Services, Inc., of LaVergne, Tennessee to supply adult and juvenile printed materials and pre-processing services for the Library by increasing the not-to-exceed value of the contract from \$80,000 to \$120,000. Approval is also requested to extend the contract term through November 30, 2013.

The recommended increase is necessary to pay for expenses incurred from July 2013 to date which exceed the available contract amount by approximately \$36,000, plus an estimated \$4,000 needed to cover orders through November while a Request for Proposals (RFP) process is completed. Council approval is required for contracts over \$100,000.

After deferring purchases toward the end of FY 2012/13 for budget monitoring purposes, Library staff underestimated the amount of collections materials that were required from Ingram during the RFP process, as more fully explained below.

**CEQA REVIEW**

N/A

**DISCUSSION**

Ingram Library Services provides more than 90% of the Library's printed materials, at discounts of 15%-43% from list pricing. The Library has been directly procuring these materials under purchasing authority delegated by the City Manager in 2000, consistent with section 2.08.050 of the Sunnyvale Municipal Code. Since that time, the Library has purchased collections material from Ingram and several other smaller suppliers under the competitive bidding exemption provided in section 2.08.070(b)(6): Public library collection materials or services for the provision of public library collection materials or other books or periodicals.

A recent Library audit recommended competitively bidding these materials in order to evaluate pricing and services offered by other vendors. To explore that possibility, RFP No. 14-11 for Library Printed Materials was issued on August

23, 2013 and four proposals were received on September 18, 2013. While the RFP process is being conducted, the Library continues to require printed materials and the pre-processing services that prepare the materials for placement into circulation.

In addition to the recommendation that these types of goods and services be competitively bid, the audit also discovered that the Library had not been purchasing the printed materials through the issuance of contracts, as required by the City's centralized purchasing policies. In order to immediately address this finding, a short-term contract in the amount of \$80,000 was awarded to Ingram to cover the purchase of printed materials from mid-July through November while the RFP was being conducted.

Staff anticipates returning to Council next month to recommend the award of contract(s) resulting from the RFP process. Until that time, the recommended \$40,000 contract change order will cover outstanding invoices and orders for additional print materials through November 30, 2013. Processes are being implemented now to ensure that these types of contracts are pre-established and not overspent in the future.

**FISCAL IMPACT**

The Library typically spends between \$275,000 and \$350,000 annually on print materials and services from Ingram. Buying activity is highest during the late Summer and Fall months, and levels off by Spring to coincide with end of fiscal year budget monitoring. Sufficient budgeted funds are available in Library & Community Services operating program 620.

**PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's Web site.

**RECOMMENDATION**

It is recommended that Council approve modification of the existing Blanket Purchase Order with Ingram Library Services, Inc., in substantially the same form as the attached draft Change Order, by increasing the not-to-exceed value from \$80,000 to \$120,000 and extending the end date to November 30, 2013.

Reviewed by:

Grace K. Leung, Director of Finance  
Prepared by: Pete Gonda, Purchasing Officer

Reviewed by:

Lisa Rosenblum, Director of Library and Community Services

Approved by:

Gary M. Luebbers  
City Manager

**Attachments**

- A. Draft Change Order to Blanket Purchase Order



<b>ORDERED FROM</b> 01212 - 001  Ingram Library Services Inc 1 Ingram Blvd LaVergne, TN 37086-1986  (800) 937-5300	ORDER DATE	<b>BILL TO:</b>  <b>City of Sunnyvale</b> <b>Finance Department</b> <b>Accounts Payable</b> <b>PO Box 3707</b> <b>Sunnyvale, CA 94088-3707</b>
	EFFECTIVE DATE 7/15/2013	
	EXPIRATION DATE 11/30/2013	
	CONTRACT AMOUNT \$120,000.00	
REQUISITIONING DEPARTMENT (5008) LCS/Library Acquisitions	FOB DEST	FREIGHT CHARGES Destination, freight included in price
	PAYMENT TERMS	BID NO

ITEM	DESCRIPTION	UNIT	UNIT COST
1	Blanket order for the purchase of adult and juvenile print materials and pre-processing services for a three month period, as described in the Ingram Special Offer letter dated 9/28/2012, attached and incorporated by reference.  Payment Terms: 1% 10 Days/Net 30 Days  Requisition No. RQ011513  Change Order No. 1: Extend term of this contract through 11/30/2013 and increase contract amount not to exceed \$120,000.00. Awarded by City Council 10/22/2013, RTC No. _____ Requisition No. RQ011869	DLR	\$1.0000

AUTHORIZED DEPARTMENT(S)		
NO	DEPT NAME	RELEASE AMT
5008	LCS/Library Acquisitions	\$120,000.00

**DOCUMENT TERMS**

This purchase order is subject to the City of Sunnyvale Standard Terms and Conditions for the Purchase of Goods, dated 10/8/2010, a copy of which is attached and incorporated by reference (Form #TCBPO-G). Invoices must be sent directly to Accounts Payable by mail to the address above or by e-mail to [accountspayable@sunnyvale.ca.gov](mailto:accountspayable@sunnyvale.ca.gov) and must reference the purchase order number. Failure to comply will result in a delay in payment processing.



**BUYER:**

Dietz, Noel

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