



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Scott P. Johnson

**SUBJECT: REPORT ON BIDS FOR ADULT
AND CHILDREN LIBRARY
BOOKS**

DATE: September 24, 2007

Approved

Deanna Furtum

Date

9/25/07

RECOMMENDATION

Report on Bids for Adult and Children's Library Books, including pre-processing and cataloging services, and authorize the Director of Finance to:

1. Execute a one-year open purchase order with:
 - a. Baker and Taylor (Charlotte, GA) as the low bidder in the amount of \$1,335,000 to be used as the primary supplier of hardcover books and mass market paperbacks.
 - b. Brodart Company (Williamsport, PA) as the second low bidder in the amount of \$200,000 to be used as the secondary supplier of hardcover books
 - c. Milligan News (San Jose, CA) as the second low bidder in the amount of \$50,000 to be used as the secondary supplier for mass market paperbacks.
2. Adjust amounts of purchase orders among the three vendors to ensure adequate supplies within the first year for a cumulative total not to exceed \$1,585,000.
3. Execute two one-year options to renew each of the purchase orders at the same discount pricing, subject to annual appropriations.

OUTCOME

To provide shelf ready library material to the Dr. Martin Luther King Jr. Library and Library Branches citywide.

BACKGROUND

The San José Public Library system serves city residents welcoming 5.4 million visitors in 2006.

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The library circulated over 14 million items, 15.21 items per capita, the majority of which included popular and highly used materials in both English and over 50 world languages. Borrowing activity at branches accounts for 85% of the system's total circulation. The Dr. Martin Luther King Jr. Library, located downtown is the largest facility in the system and is a unique collaboration between the City of San José and San José State University Library's services and programs. However the two institutions purchase their collections separately. City funds are not used to purchase materials for the university library. San Jose Public Library purchases large quantities of books and other materials in order to meet customers' demands. Therefore vendors must have sizable and diverse inventories in order to meet this requirement.

ANALYSIS

To ensure timely delivery of library materials from at least two suppliers during the next three years, Finance, in cooperation with the Library, released a Request for Bid (RFB) which provided for a primary and secondary award for the purchase of hardcover books and mass market paperback books including pre-processing and cataloging services.

A notice inviting bids was published on June 13, 2007. The RFB was advertised on the City's BidLine website and the DemandStar bid notification system. In addition 9 suppliers were emailed the RFB posting notification. Six (6) bids were received on the June 27, 2007 RFB due date.

Of the six companies submitting bids for hardcover books (trade editions, publishers library bindings (PLBs), single binding editions, quality paperbacks), Baker & Taylor (B&T) and Brodart Company provided the lowest bids. The discounts off publishers' list price were bid within one to three percentage points of each other for the various types of hardcover books (see Table below). The bid submitted by Ingram Library Services was deemed non-responsive because Ingram Library Services altered the pricing page.

For mass market paperback books, of the six companies submitting bids, B&T and Milligan News provided the most favorable price discounts. The discounts off publishers' list prices were bid within one to six percentage points of each other for the various types of mass market paperbacks. A local business preference of 2.5% was applied to the discounts off publishers' list price offered by Milligan News. The application of the preference resulted in Milligan receiving the secondary award for Mass Market Paperbacks.

The following table summarizes the bids received. The numbers appearing as ***bolded and italicized*** are the low bids and the numbers appearing as *italicized* are the second low bids in each category. Please note that the bid stated that awards will be based on bidders providing discounts for all types of Hardcover Books and Mass Market Paperbacks.

Discounts off Publishers' List Price					
Hardcover Books					
Material/Service	Baker & Taylor	Milligan (LBE)¹	Heinemann	Scholastic	Brodart
Trade Editions	<i>46.8%</i>	41%	No Bid	No Bid	<i>46%</i>
Publishers Library Bindings	<i>24.1%</i>	No Bid	35%	0% -40%	<i>21%</i>
Quality paperbacks	<i>42.0%</i>	41%	No Bid	40%	<i>40.5%</i>
Single binds	<i>44.1%</i>	No Bid	No Bid	0%-40%	<i>46.0%</i>
Mass Market Paperbacks					
Adult	<i>42.2%</i>	<i>41%</i>	No Bid	No Bid	<i>40.5%</i>
Juvenile Mass Market	<i>42.0%</i>	<i>41%</i>	No Bid	No Bid	<i>40.5%</i>
Juvenile Paperback 8x8	<i>42.0%</i>	<i>41%</i>	No Bid	No Bid	<i>40.5%</i>
Juvenile Hard Page Board Books	<i>46.8%</i>	<i>41%</i>	No Bid	No Bid	<i>46.0%</i>
Adult, Young Adult, and Juvenile Graphic Novels	<i>42.0%</i>	<i>41%</i>	No Bid	No Bid	<i>11%-46%</i>

¹ Reflects Local Business preference adjustment of 2.5% to the discount percentage offered resulting in a figure of 40% for purposes of determining the low bid.

The Notice of Intended Award was issued on July 30, 2007 allowing parties interested in the procurement to submit a protest to the attention of the Chief Purchasing Officer within ten days of the notice. No protests were received. Following issuance of the Notice of Intended Award, staff realized that the bid submitted by Ingram Library Services was non-responsive and notified the company of staff's determination and issued a second Notice of Intended Award to inform all bidders of the City's decision regarding primary and secondary award of contract as outlined in this memorandum. Any protest received after issuance of the second Notice of Intended Award and the respective resolution will be communicated to Council in a supplemental memo.

Given the results of the RFB process, staff recommends awarding purchase orders for Trade Editions to B&T as primary supplier and Brodart Company as secondary supplier and for Mass Market Paperback books to B&T as primary supplier and Milligan News as a secondary supplier.

EVALUATION AND FOLLOW-UP

No follow-up is scheduled at this time.

POLICY ALTERNATIVES

Not Applicable.

PUBLIC OUTREACH/INTEREST

- ✓ **Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater.
(Required: Website Posting)
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This item meets Criterion 1. Therefore, the memorandum will be posted on the City's website for the October 16, 2007 Council meeting. To outreach to potential vendors, the RFB was advertised on the City's internet BidLine, the Demand Star bid notification system and a Notice of the RFB was emailed to interested vendors.

COORDINATION

This memorandum has been coordinated with the Library Department, City Attorney's Office, and the City Manager's Budget Office.

FISCAL/POLICY ALIGNMENT

This Council item is consistent with Council approved Budget Strategy Memo General Principle #2, "We must focus on protecting our vital core City services."

COST SUMMARY/IMPLICATIONS

- | | | |
|----|--|--------------------|
| 1. | AMOUNT OF RECOMMENDATION/COST OF PROJECTS: | |
| | Not to Exceed Amount | Annual Term |
| | | \$1,585,000 |

