

October 16, 1990

**BUDGET AND FINANCE COMMITTEE
SACRAMENTO, CALIFORNIA**

HONORABLE MEMBERS IN SESSION

SUBJECT: AMENDMENT TO LIBRARY SHARED COST AGREEMENT

SUMMARY

The Library requests that the Budget and Finance Committee recommend approval of the attached Amendment to the City/County Shared Cost Agreement and Resolution to the City Council. Approval will allow the Library to proceed with contract negotiations to acquire a new Library Automation System (LAS) to support City and County library services.

BACKGROUND

The current Library Automation System (LAS) was installed in 1985. In planning for system expansion needs for the new Central Library, the Library realized that the current LAS could not support the addition of the new Central Library. The current LAS is used to maximum capacity now with no capability for expansion or upgrade.

The Library began initial planning with County Administration and Finance Agency and the City Budget office. Initial discussions led to the conclusion that the County would be the lead agency for the acquisition of the new LAS. This decision was based on the fact that the County Library budget can support the initial acquisition of the equipment needed. The City will reimburse the County as specified in the attached amendment to the City/County Shared Cost agreement. The central computer equipment of the LAS will continue to reside with and be operated by County Systems & Data Processing (S&DP).

The Library, in coordination with County S&DP, has solicited proposals from qualified vendors for the replacement of the current LAS. After reviewing all proposals, the evaluation team selected CLSI Inc. as the vendor of choice. Contract negotiations will begin soon. CLSI Inc. provided the current LAS and the Library expects minimal problems with installation.

**Sacramento Public Library
and Information Service**

1010-8th Street
Sacramento, CA 95814-3576
916-440-5926

FINANCIAL DATA

Initial estimate for replacement of the current LAS is \$2.5 million. This figure allows for replacement and upgrade of current equipment plus the addition of features to provide for the changing needs of the Library patrons. The City's prorated cost, based on current estimates of CLSI terminals in operation at the time of the opening of the new Central Library, would be \$1,196,500.

Principal would be paid back to the County each year as a deduction against County's shared cost payment to City. Interest for the length of time required to repay County, assuming 9% County treasury pool rate, would be approximately 220,000. Total cost to City would be approximately \$1,416,500.

Shared cost payment to City for the next several years is estimated to be approximately \$350,000 per year. This would result in approximately 4 years for City to repay County via credit against County Shared Cost payment to City. This payment is for the County's share of administration costs to support the City and County library branches. County would begin to take credit against Shared Cost payment to City beginning fiscal year 1991-92.

POLICY CONSIDERATIONS

Replacing the LAS is consistent with City Policy to provide quality services to Library patrons. Current LAS will not support additional terminals needed for the new Central Library.

MBE/WBE

Proposals were solicited following County Request for Proposal rules. MBE/WBE firms were encouraged to submit proposals.

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RECOMMENDATION

The Library requests Budget & Finance Committee recommend approval of the attached resolution authorizing the City Manager to amend the City/County Shared Cost Agreement.

Respectfully submitted


Richard M. Killian
Library Director

RECOMMENDATION APPROVED


Jack R. Crist
Deputy City Manager

October 16, 1990
All Districts

RMK:RH:mrl

Attachments

Contact Person:
Lois Shumaker
Deputy Library Director
(916) 440-5926

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

RESOLUTION AUTHORIZING THE CITY MANAGER TO
EXECUTE AN AMENDMENT TO THE JOINT AGREEMENT
BETWEEN THE CITY AND THE COUNTY OF SACRAMENTO
FOR THE OPERATION OF THE CITY AND COUNTY
LIBRARY SYSTEMS

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

That the City Manager is hereby authorized to execute an amendment to the joint agreement between the City of Sacramento and County of Sacramento (City Resolution No. 304) on order to share equitably in the cost for a new Automated Circulation System for the City and County Library Systems.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

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MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

AMENDMENT TO AGREEMENT FOR JOINT
OPERATION OF THE CITY AND COUNTY
LIBRARY SYSTEMS

This Amendment is made and entered into this _____ day of _____, 1990, by and between the COUNTY OF SACRAMENTO, a political subdivision of the State of California (hereinafter called "County") and the CITY OF SACRAMENTO, a municipal corporation situated within the County of Sacramento (hereinafter called "City").

W I T N E S S E T H:

WHEREAS, City and County entered into a Agreement for Joint Operation of the City and County Library Systems on July 14, 1966 (City Resolution No. 304); and

WHEREAS, the parties desire to amend the Agreement as hereinafter set forth; and

WHEREAS, the consideration given by each of the parties for these amendments is the revised obligations thereby undertaken.

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL PROMISES, CONDITIONS AND COVENANTS CONTAINED HEREIN, THE PARTIES HERETO DO AGREE AS FOLLOWS:

1. Section 4(d) is added to read:

(d) Automated Circulation System for the City and County Library Systems will reside with and be maintained by County Systems and Data Processing Department. Upgrade and/or replacement of the Automated Circulation System will be funded by County with amount to be paid by city and repayment schedule as stated in 9(g) and 9(h).

2. Section 9(g) is added to read:

(g) Ratio of Automated Circulation System equipment peripherals used by County to that used by City at the time of the opening of the Central Library Expansion to the public will determine the percentage allocation of Automated Circulation System cost between the City and County. Allocation will be as follows:

(1) Peripheral equipment in County branches will be counted as County equipment, peripheral equipment in City branches will be counted as City equipment. Central Library Expansion is exempted and dealt with in 9(g)(2) and 9(g)(3).

(2) One half (1/2) of the peripheral equipment in the Central Library Expansion used for administration and support of the entire City/County system will be counted as City equipment and one half (1/2) as County equipment.

(3) Peripheral equipment used solely for Central Library activities will be counted as City equipment.

3. Section 9(h) is added to read:

(h) County will finance acquisition of the new Automated Circulation System. City will repay County the City's allocated portion of the system as calculated in 9(g) in the following manner:

(1) Beginning in fiscal year 1991-92, County will take a credit against its estimated shared cost payment to the City payable pursuant to subsection (b) hereof equal to one fourth (1/4) of the City's allocated cost for the new Automated Circulation System. If the credit results in a debit for the City (City owes County for Shared Cost), the amount owed County will be carried forward by County to the next fiscal year as a credit against County shared cost payment to City.

(2) City shall pay interest on amounts for which County has not yet received credit as set forth herein. On June 30 of each year, County shall add to the amount owed to it by City interest calculated as follows: The amount still owing as of June 30 times the County's average Treasury Pool Rate for the 12 months immediately preceding June 30. Prior to the beginning of fiscal year 1991-1992, interest shall accrue only if one or more full calendar quarters of Fiscal Year 1990-1991 remain following initial payment to the vendor by County, and prorated interest shall be added to the sum against which County shall begin taking credits in Fiscal Year 1991-1992.

4. All other sections of the Agreement shall remain in full force and effect.

COUNTY OF SACRAMENTO, a
political subdivision of
the State of California

CITY OF SACRAMENTO, a
municipal corporation

By _____
Chairperson, Board of
Supervisors

City Manager

Approved as to Form:

ATTEST:

Diane Baller
Deputy City Attorney

City Clerk

John F. Whinnant
Deputy County Counsel

Clerk of the Board of Supervisors
of Sacramento County, California