TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: Jill Bourne

SUBJECT: SEE BELOW
DATE: July 17, 2017

SUBJECT: CONTINUATION AND SECOND AMENDMENT TO THE CONSULTING AGREEMENT FOR SERVICES RELATED TO THE RECOVERY OF FINES AND FEES FOR OVERDUE MATERIALS AT CITY LIBRARIES

RECOMMENDATION

Approve a Continuation and Second Amendment to the Agreement between the City of San José and Unique Management Services Inc. (UMS), for consulting services related to the recovery of fines and fees for overdue materials at City libraries, to extend the contract term of the Agreement through June 30, 2018, and to increase the maximum compensation by $60,000, from $244,755 to $304,755.

OUTCOME

Approval of the recommendation in this memorandum would allow the Library Department to continue UMS services related to the recovery of fines and fees for overdue materials for a full year term.

BACKGROUND

On September 26, 2014, the City entered into a consulting agreement with UMS to provide services related to the recovery of overdue materials, fines and fees. This agreement was extended through June 30, 2017.

In June 2016, the Library received approval from the City Council to make key reductions to fines and fees reductions and to implement programs to eliminate outstanding debt to support greater community access to Library services. Since then, the Library has implemented various programs for residents to “pay off” their fines, including Volunteer Your Fines Away, Two-Step Fine Forgiveness, and Summer Reading Challenge’s “Golden Ticket.”
In addition, the Library and the Finance Department issued a Request for Proposals for Library Debt Notification in spring 2016. UMS was the only bidder who responded to the RFP. Due to reduced fines, the declining number of accounts, and the approved fine forgiveness programs, the proposal was rejected due to cost inefficiency for the program at that time.

**ANALYSIS**

The Library needs to continue the current agreement with UMS in order to capture a full year of data at the reduced rates and without the additional forgiveness programs. This data would be used to analyze the fines and fees impact on overdue accounts and explore a long-term, cost-effective option.

**EVALUATION AND FOLLOW-UP**

Staff will continue to gather statistics of accounts and trends from UMS and review at mid-year to compare and make a recommendation on conducting another RFP.

**PUBLIC OUTREACH**

This memorandum will be posted on the Council Agenda website for the August 8, 2017 Council Meeting.

**COORDINATION**

This memorandum has been coordinated with the City Attorney’s Office, Risk Management and the City Manager’s Budget Office.

**COMMISSION RECOMMENDATION/INPUT**

This item does not have input from a board or commission.

**COST SUMMARY/IMPLICATIONS**

The 2017-2018 Proposed Operating Budget provides funding to support this contract in Non-personal expenses. The contract amount will be less than the previous years, as the number of accounts has been trending down.
BUDGET REFERENCE

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CEQA

Not a Project, File No. PP10-066(e), Agreements & Contracts, Services that involve no physical change to the environment.

/s/
JILL BOURNE
City Librarian

For questions, please contact Jenny Choi, Administrative Officer at (408) 808-2152.