



Agenda Report

July 20, 2026

TO: Honorable Mayor and City Council
FROM: Department of Libraries and Information Services
SUBJECT: **AUTHORIZE THE CITY MANAGER TO ENTER INTO A CONTRACT WITH OVERDRIVE, INC. FOR THE PURCHASE OF EBOOKS AND EAUDIOBOOKS IN AN AMOUNT NOT TO EXCEED \$2,000,000**

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed action is not subject to the California Environmental Quality Act (CEQA) pursuant to Section 21065 of CEQA and within the meaning of State CEQA Guidelines Section 15378;
2. Authorize the City Manager to enter into a contract without competitive bidding pursuant to City Charter Section 1002(C), contracts for labor, materials, supplies or services available from only one vendor, with OverDrive, Inc. ("OverDrive") for the purchase of digital books and audiobooks, for an initial three-year term, with two optional one-year extensions at the approval of the City Manager, for a total contract length of up to five years, in an amount not-to-exceed \$2,000,000. The full not-to-exceed amount shall be available for use throughout the initial term and any exercised option years until the not-to-exceed amount has been expended or the contract term has expired, whichever occurs first; and
3. Grant the recommended contract an exemption from the Competitive Selection process pursuant to Pasadena Municipal Code Section 4.08.049(B), contracts for which the City's best interests are served.

BACKGROUND:

Pasadena Public Library continues to experience strong patron demand for digital reading and listening materials through OverDrive, the vendor used by the City for the current multi-year contract. Digital content, including eBooks and eAudiobooks, has become a core part of the Library's collection strategy by allowing patrons to access

materials remotely, outside of regular Library hours, and on the devices they use most often. As reading habits continue to shift, demand for digital formats is expected to remain strong even as access to physical collections expands in the future.

OverDrive serves as both the Library's digital content provider and patron borrowing platform. Patrons may borrow eBooks and eAudiobooks through the Library's catalog, the OverDrive website, and the Libby app. The platform provides continuous access to digital content and allows patrons to browse, borrow, download, or stream materials at any time. Establishing a new multi-year contract with OverDrive would allow the Library to maintain uninterrupted access to one of its most heavily used digital services and preserve the collection already developed for Pasadena patrons.

Demand for eTitles has also increased while Central Library is closed for retrofit. Branch locations have limited physical space to expand physical collections at the level needed to meet patron demand, making digital collections an important way to supplement access to high-interest materials. In addition, some physical formats, such as audiobooks on CD, continue to decline in use as eAudiobooks become more popular and accessible through mobile devices.

Over the past five fiscal years, OverDrive usage has continued to grow. Total eBook and eAudiobook circulation increased from 52,511 checkouts in FY 2022 to 72,106 checkouts in FY 2026, representing a 37.32% increase. Unique users also increased during this same period, rising from 5,160 in FY 2022 to 8,683 in FY 2026, a 68% increase. This demonstrates that more Pasadena patrons are using OverDrive each year and that demand for digital materials has continued beyond the initial pandemic-era increase in eBook and eAudiobook use.

The Library is also seeing increased demand on available copies. Total holds increased from 18,505 in FY 2022 to 33,229 in FY 2026, an 80% increase over the five-year period. This growth indicates that waitlists for available eBook and eAudiobook copies are increasing and that the Library must purchase additional copies or access models to reduce wait times. Unlike print books, digital titles are often licensed for a limited period or a limited number of borrows, such as 24 months or 25 checkouts. As a result, increased funding is needed not only to purchase new titles, but also to maintain access to titles already in demand.

The Library has built a substantial OverDrive collection for Pasadena patrons, consisting of 17,175 individual titles and 28,271 copies. These materials include best sellers, popular fiction and nonfiction, children's and teen materials, classics, and other high-demand titles in electronic format. Digital content acquired through OverDrive is licensed for use exclusively within the OverDrive platform and cannot be transferred to another vendor. Transitioning to a different platform would result in the loss of access to thousands of previously licensed titles, require significant costs to repurchase content, disrupt patron service, and reduce the value of the City's existing investment.

Transitioning to another platform would also require significant staff time to reconfigure catalog integrations, update patron education materials, retrain staff, revise workflows, and communicate service changes to thousands of active users. Because another vendor cannot provide access to Pasadena Public Library's existing OverDrive-licensed collection or transfer the licenses already acquired, changing platforms would require the Library to rebuild its digital collection without providing a comparable level of service to patrons.

In addition to eBooks and eAudiobooks, the Library provides access to Libby Magazines through OverDrive. The magazine platform includes 6,749 digital magazine titles available for unlimited simultaneous use. Unlike eBooks and eAudiobooks, digital magazines do not require holds or traditional checkouts, allowing multiple patrons to read current and back issues at the same time. Magazine use further demonstrates the value of OverDrive as a broad digital access platform.

A major advantage of OverDrive is its compatibility with Amazon Kindle devices. In FY 2026, 13,468 eBook checkouts were for Kindle, representing approximately 39% of all eBook circulation. OverDrive is the only platform available to the Library that supports downloading and reading borrowed eBooks on Kindle devices. Selecting another platform would require thousands of existing users to transition to a new borrowing platform while eliminating Kindle compatibility for borrowed eBooks.

OverDrive also supports broader community access through student borrowing. Through Sora, Pasadena Unified School District students are able to access Pasadena Public Library's digital title collection using their student ID number. This access supports literacy, student learning, and family engagement by making digital reading materials more readily available to students.

For FY 2026, Pasadena Public Library spent \$87,470.77 on eBooks and eAudiobooks through OverDrive. During that same period, patrons checked out 72,106 eBooks and eAudiobooks, resulting in an approximate cost of \$1.21 per checkout. Including the Libby Magazines platform, total FY 2026 expenditures were \$104,970.77 and total circulation was 98,748, resulting in an approximate cost of \$1.06 per checkout. This cost-per-use demonstrates the continued value of OverDrive in relation to the level of access provided to Pasadena patrons.

Based on continued growth in circulation, increased unique users, rising holds, preservation of the Library's existing licensed digital collection, Kindle compatibility, student access through Sora, magazine access, and the cost and operational impacts of transitioning to another platform, staff recommends authorizing the City Manager to enter into a contract with OverDrive, Inc. for the purchase of eBooks, eAudiobooks, and related digital library services in an amount not to exceed \$2,000,000 over a five-year term.

Furthermore, because OverDrive is the only vendor that can provide uninterrupted access to the Library's existing licensed digital collection while maintaining established patron services and platform integrations, competitive bidding would not result in a comparable product or service and is therefore not in the City's best interest.

COUNCIL POLICY CONSIDERATION:

The proposed contract furthers the City Council's strategic planning goals to maintain fiscal responsibility and stability, and to support and promote quality of life for all patrons.

ENVIRONMENTAL ANALYSIS:

CEQA excludes, from environmental review, actions that are not "projects" as defined by CEQA Section 21065 and within the meaning of State CEQA Guidelines Section 15378. Sections 21065 and 15378 define a project as an action which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Section 15378 excludes from the definition of "project" continuing administrative or maintenance activities, such as purchases for supplies, as well as administrative activities of government that will not result in direct or indirect physical changes in the environment. The action proposed herein, authorizing the City Manager to establish a multi-year contract with OverDrive, Inc. for digital library materials and related platform services, is an administrative procurement of digital content and services, and therefore is not a "project" as defined by CEQA. Since the action is not a project subject to CEQA, no environmental document is required.

FISCAL IMPACT:

The total fiscal impact of this action should the entire amount of the contract be expended is up to \$2,000,000 over a five-year term, should all optional extensions be exercised. Funding for fiscal year 2027 will be addressed using existing budget appropriations for Library Books within the Library Services Fund, and appropriations for future fiscal years, including any exercised option years, will be submitted through the annual budget process for each respective fiscal year. Expenditures in any fiscal year will be limited to available budgeted appropriations, and there is no anticipated impact to other operational programs as a result of this action.

Respectfully submitted,



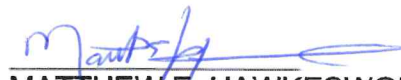
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