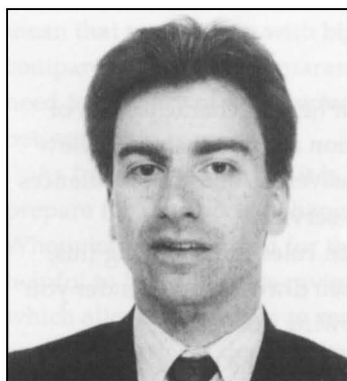


TENDERING FOR PERIODICALS SUPPLY: HOW LIBRARIANS CAN MANAGE THE PROCESS

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This paper sets out steps for librarians to follow when considering a tender exercise for periodicals and strongly advocates librarians taking a central role in the decision making process. Consideration is given to the specification, selection criteria and evaluation of the exercise and the successful contractor.



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Introduction

This paper is based on my own experience of serials tendering in Government libraries, and the conclusions I have drawn are mine alone, and not those of the Department of Health or any other part of the Civil Service.

I will attempt to take you through the main thinking processes which are, I believe, necessary to ensure that you (and your users) are happy with the outcome of any serials tendering exercise.

This paper is split into three main sections:

- i) taking control of the exercise;
- ii) drawing up the specification
- how to start - what to look for - how to ask for it;
- iii) evaluation

Taking control

I think that it is important to recognise that we operate in a very specialist market, and one which differs greatly from a lot of routine purchasing. I believe that tendering specialists are not always fully aware of the differences, and as a result may think that they can take on this area of work without problem. I hope you will agree that it is not as simple as that and that our own specialist skills are therefore very important.

Librarians have valuable skills drawn from experience of dealing with journals, and a knowledge of users' requirements and patterns of usage which is vital to the success (or otherwise) of a tender exercise. So to ensure that this knowledge is used, you must ensure that the tendering officer is aware of your skills. One way to do this is to sit down with them and explain how subscriptions work and the agent's role. The Association of Subscription Agents leaflet on the work of subscription agents¹ is useful for this.

So my first message is that you must take control of the exercise, and aim to have an equal (or greater) voice with the tendering

specialist in the organisation. There are a number of ways to achieve this. Firstly it is vital to have credibility with your management. Make sure that your managers know that this is a specialist market, and demonstrate that you know how it works and why! This means being aware of the range of companies involved, not just the agent you have always used. Try to keep up to date with the range of services that agents provide, and attempt to collect a few anecdotes about exercises that have gone wrong, not to demonstrate that this is a 'fools errand' but to show how important it is that your specialist knowledge is used!

Secondly, you must have credibility with the tendering department - a track record of being seen to be interested in getting the "best deal" will help. It is also important to be seen to approach discussion of competitive tendering in an open and positive way - scepticism and muttering about political dogma will make others suspicious about your commitment. You don't need to be an evangelist - but you do need to take a balanced view.

You will also win some support by making sure that you are quick to meet the tendering department's information requests, and also by showing that you are aware of the issues which are important to them. You may also be able to help by providing expert assistance in other tender exercises, for example, for publications storage and distribution, something I am sure all librarians know a lot about. Even if you can not take an active part in any other exercises it may still be possible to provide information in support of them - pro-actively of course.

So winning friends in the tendering section may very well pay dividends in the future. I hope I have not laboured the point too much - but it is vital that we demonstrate unequivocally that we are the professionals in this area, and that by using our knowledge the organisation will save time, energy and money.

Drawing up the specification

Assuming that you have been successful in establishing your credibility you should now have a major part to play in drafting the specification. To do this there are three aspects to consider:

- i) how to start
- ii) what to look for
- iii) how to ask for it

How to start

The first thing you can do is to learn from the experiences of others, as set out in journal articles and guidance such as the *NAG Guide to Tendering*². Although NAG's *Guide* does not specifically cover subscriptions, much of the general advice is relevant.

Another useful source of information are the tender documents that other libraries produce for their exercises - they may be quite expensive, but could easily save money in the long run. Offering to share your experience with another library could be a cheaper way to tap into this source of information.

Having established how you want to describe your requirement, you need an idea of what it is that you want. It is vital that you can call upon good intelligence about the make-up of your business. If you do not know what proportion of your titles are foreign for example, any agent is going to have problems assessing what terms to charge, unless they price every title.

It is also important to be realistic. If you know that your budget will be cut next year, use the reduced figure in the tender, or at least give a warning about it. You will only cause problems for the agent in the long run if they calculate their pricing on a level of business which you can not deliver. You should also plan in case of unexpected budget reductions during the life of the contract.

What to look for

To my mind the most helpful characteristics of any tender specification are that it should allow for flexibility, responsiveness and that it balances cost against levels of service.

There are no golden rules for achieving this, but I suggest that when drawing up a tender you ask yourself the following questions:

- What would happen if the budget was reduced by 20%?
- What happens if the supplier just can not meet our service standards?

- What happens if our requirements change during the contract period?
- What happens if the supplier goes into receivership?

If your specification provides satisfactory answers to those questions - and answers which you know will satisfy your users - then you are well on your way to a successful exercise.

How to ask for it

I have already said that you can learn a lot from what others have done, but it is also important to remember that this exercise is for your library and your users. If it does not meet those needs it will fail no matter how **technically** correct it is.

I think that there are three aspects to consider in this respect: **pricing mechanism**, **service criteria**, and **track record**. Your job in drafting the specification is to give the bidders the best opportunity to make it clear to you how far they are able to go in meeting your needs.

Pricing is crucial. There are those who suggest that you must ask the bidders to price all, or a sample, of your titles and then compare the result. John Van Loo's experience³ shows that this can be meaningless. Agents use a variety of methods to price orders, and unless you track all the differences, valid comparisons are impossible.

I firmly believe that the only approach is to ask agents to look at a representative sample of your list of subscriptions - this is why you need good knowledge about them - and then to quote, on the basis of an assumed value of business, a discount or surcharge on publisher's list price (though this can still be open to interpretation). This should mean that you end up with bids which can be compared - it does not guarantee it however! You need to be wary of unexpected differences between bids.

As I mentioned earlier it is important to prepare for unexpected changes to your budget. Where terms are agreed for three years it is helpful to build in price reviewing mechanisms which allow contractors to renegotiate if the value or mix of business does not meet their expectations.

This may appear to be risky, but knowing the likelihood of library budgets being cut, I feel that it is much better than facing a surcharge just

when you have least money - renegotiation can at least be aligned with the start of a financial year.

Service criteria is important if you want to get a good deal in more than just financial terms. We all know, from experience, that the best deal is not necessarily the cheapest. If you make it clear in the tender that you expect such value added services as customised reports and invoices, or bibliographical research and alerting services, suppliers will have the opportunity to include them in the pricing calculation. You will have the opportunity to see what they would cost you and also the chance to work out what is missing from a low tender.

Finally, **track record**. It is normal to ask for references in tender exercises, less common that they are followed up, and even less common that the referees are appropriate to your situation.

Be sure to state that you prefer reference sites to be of a similar size and type to your library. This will not always be possible but it should be in most cases (unless you are BLDSC!). If you have contacts with a similar library which you know is a customer of a bidder, but which has not been offered as a reference, check it out, since there may be a good reason (i.e. organisational policy not to give references) but you may learn something important.

Try to use a standard form. This is quicker for the referees, and also provides an objective record that you treated all companies fairly. I should also emphasise at this point that the whole purpose of this kind of large open tendering exercise is to ensure that all bidders are treated fairly. The *NAG Code of Conduct*⁴ covers this area particularly well.

Needless to say a tender is a legal document and you really must have specialist legal advice before it hits the streets, or you may be paying for any errors in it for a long time to come.

You should now be ready to carry out the tender exercise. I will not comment on this, but I will refer you to *Serials*, July 1994⁵ for my account of a tender exercise at the Ministry of Agriculture, Fisheries & Food.

Evaluation

There are two elements to evaluation which I wish to consider: firstly the exercise itself, and the performance of the contractor(s).

It is important to be clear which elements of the exercise worked best, those which could have been better and those which really did not work at all. I do not have a formal set of criteria for those - the important point to make is that you and others involved will know what worked and what did not if you are honest with yourself and each other, and if you take the time to stop and ask the question. This is often the most difficult part.

Turning to evaluation of the outcome, you will need to have established the criteria for this at the outset. These are likely to include: reducing costs; simplifying orders, renewals, invoices, claims etc.; complying with organisational policy; or improving service.

Whichever are appropriate you should be able to measure how far you have achieved them. Although you will not be able to do this at the beginning of the contract, you must not leave it until the end either - or you will not know what you would do differently next time. Remember that once you start this there is always a next time!

This of course will involve you in careful and regular monitoring of your contractors' performance. Where targets are set you must know if they are meeting them and agree remedial action if they are not. I also think that the evaluation process should involve keeping up-to-date with changes in the market. New approaches to handling subscriptions may be just what your organisation needs.

Conclusions

I hope that I have given you food for thought in this paper. I would like to stress that although tendering can seem a very specialised and somewhat scary activity, we as information professionals can make a significant contribution to the success of these exercises. So to conclude, my final message is "use your professional skills and make the most of the opportunity".

References

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