

PERIODICALS TENDERING FOR THE LIBRARIES OF THE QUEEN'S UNIVERSITY OF BELFAST AND THE UNIVERSITY OF ULSTER: A JOINT INITIATIVE

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Nobody needs to be reminded that expenditure on periodicals consumes an increasingly large proportion of every university library's funds, but it is easy to forget that the sums of money in themselves also represent a disconcertingly large percentage of the whole institution's annual budget. For this reason a library's expenditure on its periodicals collection is even more likely to come under close scrutiny from those who control the university's expenditure. It is also fair to say that since most people in universities are at least vaguely familiar with periodicals. Members of finance committees are more likely to express views about this item than about little-understood computer hardware. This is no bad thing.

We all recognise that libraries can no longer afford the luxury of subscribing to periodicals just because they look good on the shelves, and yet as librarians we must acknowledge that our innate conservatism sometimes makes it hard for us to be as ruthless in pruning our periodicals budget as we must now be. So it is understandable that those outside the library are beginning to question us about how we spend all this money and asking us to demonstrate that we are getting good value. It is surely wiser to anticipate this unwelcome interference in library affairs by being more rigorous on our own terms, rather than risk waiting until others devise procedures which take no account of the special problems that we face as librarians.

There are two questions here: are we buying the correct titles, and are we buying them in the best way? This paper assumes that the Queen's University of Belfast (QUB) and the University of Ulster are already addressing the first question properly and concentrates on the second.

The Queen's University of Belfast Library operates on four main sites: the Main Library; the Science Library; the Medical Library, and the Agriculture Library. The total expenditure on periodicals for the QUB group of libraries is currently estimated to be £600,000. In addition there is an estimated expenditure of about £80,000 by University departments.

The University of Ulster (the result of the merger of the New University of Ulster and the Ulster Polytechnic in 1984) operates on four sites in Northern Ireland. It too currently spends a total of

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about £600,000 on periodicals. Up to now the majority of these have traditionally been supplied by a single subscription agent. As far as it has been possible to ascertain, it was the practice of the Ulster Polytechnic to invite tenders for the supply of periodicals from the outset.

Unfortunately, records are patchy, but there is certain documentation showing that in 1978 it was decided to share the contract between the four lowest tenderers: a needlessly complicated solution maybe, since the total sum involved was only £50,000!

It must be admitted that there has never been any particular enthusiasm in the University of Ulster library for the tendering exercise. It takes too much time and a certain feeling persists that the Polytechnic (later the University) puts pressure on the library to accept the cheapest tender, regardless of the quality of service offered. There is, of course, no evidence that the library fares better or worse than it would otherwise but this apparent lack of control over its own budget has always been somewhat resented. Apart from anything else, the savings made never seem to come back to the library.

The current contract was due to expire in 1993, and although the periodicals staff were predictably lukewarm about the possibility of having to change agents, having done it before, they acknowledged the process as a necessary evil, especially as the University of Ulster Library was planning to make the biggest percentage reduction ever in its periodicals expenditure in 1994 and there was more anxiety about persuading academic staff to make the necessary swingeing cuts in their already lean subscription lists. The choice of an agent might have seemed easy by comparison.

In QUB there had always been a view that tendering was to be avoided because it would cause a great deal of unnecessary disruption and extra work. There was also some anxiety that a sole agent going through a bad patch could be particularly difficult to cope with, given that one agent out of several not performing well could be difficult enough. In addition QUB Library was reasonably happy with the service provided by the three or four main agents it had used, some over a long period. Members of staff did wonder at times, however, whether a better discount

could be secured, if all titles were handled by a sole agent.

The QUB Purchasing Office had already hinted that it would welcome the introduction of a single contract for periodicals supply. At that stage there was no suggestion that it would be necessary to invite tenders under EC (or any other) rules but concern was expressed that such large amounts of money had up to now been spent with suppliers apparently selected at random. It seemed likely, moreover, that it was only a matter of time before the rules would be tightened to make invitations to tender obligatory. So QUB Library preferred to take the initiative and invite tenders on its own terms, using a method which suited the Library.

Given this general background, it is worth examining the specific circumstances which encouraged Queen's University Library to approach the University of Ulster Library, with a view to collaborating on a joint tendering exercise for the supply of periodicals to both institutions in 1994. From QUB's point of view the advantages of appointing a sole agent were clear enough:

- a combined periodicals budget well in excess of £1m per annum is likely to obtain the best discount possible;
- routing all claims to one agent makes claims administration simpler;
- it is far easier to obtain management information from a sole agent, for example, if price inflation data is needed for a particular subject area a complete answer will be available from the one source;
- QUB had traditionally ordered many titles direct from publishers, which inevitably generated a great many invoices and incurred a heavy overhead in administration, whereas ordering from a single agent solves this problem at a stroke;
- and,
- there had been several other joint tenders (stationery and cleaning supplies for example) and the Purchasing Offices were keen to help the libraries obtain the best possible periodicals contract.

It would be dishonest to suggest that cooperation between our two libraries reflects a

glorious and long established special relationship between the two universities themselves but the libraries have worked together quietly on a number of initiatives for some years now, and at a senior level the mutual benefits of doing so are readily, albeit discreetly, acknowledged. From now on, presumably, such collaborations will, in any case, have the Follett seal of approval.

Certainly, this was to be our most important cooperative venture so far but we were confident that we should be able to work together because, apart from anything else, our needs were broadly comparable. Indeed, it can honestly be claimed that at no point was there a significant conflict of interests, which as with all meaningful relationships was important. For a venture of this nature to work, the partners need to be evenly matched and equally committed.

After preliminary discussions a provisional timetable was drafted. Since it is theoretically good practice, if hopelessly unrealistic, to aim to have a list of the next year's subscriptions by the previous September, it was decided to work back from a 1 September deadline. In fact it soon became clear that purely financial considerations were to dictate this time scale.

From the outset the libraries worked very closely with the two Universities' Purchasing Offices. The importance of this cannot be over-emphasised. As librarians we knew nothing about the legal niceties and procedures of tendering, which is a complicated business and best left to the experts. Since the sums of money involved were likely to exceed £1 million, it was felt prudent to place an advertisement in the *EC Official Journal*. This in itself creates a whole new set of problems.

Not surprisingly there are innumerable regulations to observe and everything takes twice as long as one might reasonably expect. We began working on the preliminary invitation in early March and aimed to place an initial notice in the *Journal* in late May. This may sound like a long time to draw up a short document but we were not familiar with the work and needed to think very carefully about every step. Even the apparently most obvious statement can have hidden traps. For example, we realised at a certain point that we needed to specify that all communication should be in English: obvious

enough maybe, but it could have caused problems, if we had not made this clear at the outset.

On the other hand it is important not to be unnecessarily prescriptive. One thing we were both absolutely certain about was that we did not want the tenders to be based on a line-by-line pricing mechanism. We wanted to avoid the tedious and generally unhelpful task of comparing priced lists. The task of comparing prices for several thousand titles across four or five suppliers can never be easy. Nor does the exercise help to provide meaningful comparisons, as it is most unlikely that any two agents will use the same currency conversion rate or even the same price: Is the price this year's actual, last year's actual plus an estimate for inflation, or next year's estimate? When these uncertainties coincide the scope for error is very great. In any case, we were convinced that price was not our sole consideration, so we simply asked what overall discount or handling charge would be applied to the published prices. This would make comparisons easier and also seemed fairer. Published prices could always be checked and were more likely to be constant.

The quality of service offered, the agents' understanding of our needs and their ability to offer imaginative and appropriate solutions to the problems we faced were all very important. Therefore documentation was prepared in such a way as to allow agents to offer services we had not explicitly sought but which might be relevant to our needs.

Selection criteria had to be set at an early stage as they had to be notified to the EC and stated in the tender documentation. They were expressed in one deceptively easy formula:

'Economically advantageous in terms of price structure offered, the service offered, bibliographic services and management information.'

Any librarian, who has been much involved in the process of staff recruitment, will recognise that the overriding consideration must always be that of fair play. Many of the underlying principles can be applied equally in the tender selection exercise. The choice has to be made **entirely on the basis of the tender submitted**. This may sound obvious enough, but in practice

it may be tempting to use previous knowledge of the performance and reputation of the different agents when reaching a decision. This must not be done. Nor would it be acceptable to succumb to the temptation of retaining the existing agent for the sake of convenience.

The specification of the libraries' requirements went through many drafts and much consultation with the periodicals staff on the various sites. It was completed by the end of April. Then, once the advertisement had been placed, several agents who had expressed interest in our intention to go out to tender were notified that we had done so. Shortly after this a letter was sent to the larger QUB agents advising them not to renew any titles for 1994 until the result of the tender exercise was known. Lists of titles required were meanwhile made available so that agents could see the mix of business that they were likely to get. In fact, the lists were highly inaccurate because subscription reviews were still under way and would not be complete until after the new agent had been appointed.

Several agents were able to base their bids based on their experience of periodical holdings in comparable universities and did not need to see detailed lists. In the tender documentation we reserved the right to change up to 10% of the titles and asked if this would change the discount/surcharge quoted. When this clause was inserted we did not believe so many titles would in fact change. In the event the final figure was not far off the 10% in some of the QUB branch libraries. As a result of the advertisement nine companies requested further details, and four tenders were received on time. A fifth arrived late and had to be excluded. (In this case it appears that the agent concerned had been badly let down by its courier.) This may seem harsh but the tendering process is open to scrutiny and rules must be rigorously applied. Had the late tender been successful other agents would have been entitled to complain.

The tenders were opened as soon as could be arranged after the closing date. This too is less straightforward than it sounds. The EC regulations governing the procedures are understandably strict and must be observed to the letter, as any irregularity, however minor, could invalidate the whole exercise. We then drew up a

schedule to compare specific aspects of each tender. Especially important were:

- discount levels*
- service levels
- supplementary bibliographic services
- management information provision

It is maybe worth noting that at this stage in the procedure there was a clear difference in how the two university libraries evaluated their tenders.

At QUB only members of senior management saw them, because the selection of an agent was viewed as a management decision. The periodicals staff were kept informed of what was happening but they were not shown the content of the tenders and were not involved in their evaluation. At the UU, on the other hand, copies of the primary documentation received were sent to appropriate periodicals staff on all four campuses. An informal meeting was then held to compare views. It is probably fair to say that although interested, they too found it difficult to form firm conclusions on the basis of what had been submitted. All staff directly involved with periodicals know that the quality of service provided is of overriding importance. They know too that no written statement can give any real indication of this. However, it was felt worthwhile to consult them, partly to be in a position to take account of individual concerns and partly so that staff realised that whatever final decision was made, it would not have been reached easily.

Although it was in some cases difficult to compare like with like, the open-ended nature of the form allowed the tenderers the opportunity to offer far more than good discounts. Some seized this opportunity with more enthusiasm than others. Again, as with applications for jobs, it was often necessary to read between the lines and to take careful note of what was not offered instead of paying undue attention to extravagant but ultimately vague claims about quality of

* Although most of the companies which replied to the invitation offered discounts there were considerable variations in the size of these, as well as in the ways they were to be applied. No one intended to impose a handling charge (except of course in the case of greatly delayed settlement).

service. All the tenders were genuinely worthy of consideration but only two companies were eventually shortlisted. There was some debate about whether it would be better to invite the shortlisted agents to visit us or whether we should go to see them on their home ground. We decided eventually to visit the agents ourselves so that we could meet more of the staff than could reasonably have been expected to come to see us. We also felt that by visiting we could control the agenda and avoid formal presentation from sales teams. Finally, we hoped to gain some feel, however limited, for the companies' working practices and their understanding of the concerns we faced.

It was a mistake to try and visit two agents in the same day. This schedule allowed only two hours with each and while this focused the minds of all on the business in hand, we could have used more time. On the other hand we would probably not have set aside more than two hours each for presentations had we invited the agents to visit us. Careful consideration was given to the areas to explore and, apart from questions arising directly from the contents of the tenders we covered the same topics with each agent.

We tried to keep open minds until we had visited both agents. Happily, we independently came to the same conclusions and made a written recommendation to the Librarian of QUB and the Director of Educational Services of UU for formal approval. We subsequently informed the successful and unsuccessful applicants simultaneously. This too was important. Throughout the whole somewhat long-drawn-out process we had been aware of the considerable responsibility not just to our respective universities, but also to all the companies who had tendered. Ours was to be a large contract by any standards and it would not have been fair to keep anybody in suspense about the outcome any longer than was absolutely necessary. It goes without saying, moreover, that this whole exercise demands the utmost discretion at all times.

The world of subscription agents is a small one and most agents have by now established long-standing relationships with many libraries. In the same way that one does not discuss candidates for a job with other colleagues, it

would have been quite wrong to talk about this exercise in any but the most general terms until the decisions had been made and all the formalities completed. Throughout the process the two Purchasing Offices were most helpful. They had advised on the questions which could legitimately be asked, what constituted acceptable 'clarification' of proposals within a tender, and what constituted 'post tender negotiation', which is not regarded as good practice.

Once the result was known the unsuccessful agents had the right to ask how they might have improved their offer. It is always difficult to be the bearer of bad news and we were advised that the proper procedure was to refer calls to the Purchasing Office for an initial answer. More detailed queries were to be passed back to the libraries. This may seem like ducking our responsibilities but is normal practice. We did not want to appear unhelpful to agents who will we hope submit new bids in three or four years time. In any case the contents of the tenders were confidential and it was difficult to give precise answers without revealing the contents of other offers.

Perhaps readers of this paper may find the lack of detail about the bids themselves a little frustrating and we can well imagine that some of the unsuccessful agents might have been disappointed that our answers gave less information than they would have liked. However, we feel strongly that we should not disclose the details of any of the tenders submitted. In keeping with the principle of treating all unsuccessful agents in the same way by giving them the same information, it is helpful if unsuccessful agents who wish to make enquiries should do so as soon as possible after the decision has been made. Weeks or months later it can be difficult to recall either the fine detail of the decision itself, or what information has been given to other agents. It is far easier to be even-handed when the enquiries come closer together.

The process as we finally carried it out was fairly simple. Having sought tenders once, we shall not find it so daunting the next time. We had been firmly convinced from the outset that our highest priority was to find an agent we could trust and with whom we could work to provide a

high quality service to the staff and students of the two universities.

Was it all worthwhile? The short answer is that it is too early to tell. The agent we chose seems to be performing well, so far. A major concern at QUB had been the difficulties involved in any changeover, since whichever agent was chosen substantial changes were inevitable. In the event this had been handled efficiently and the library staff concerned are happy. There can be no doubt that the exercise took a fair amount of time, but we were all dealing with a considerable amount of money. Working like this encouraged us to think clearly about what we wanted, and could reasonably expect, from a subscription agent. It may also have helped the agents to understand our needs more clearly than before. Certainly we have received from them no adverse criticism of the invitation and the way the selection process was handled, although it would possibly have been naive to expect potential

suppliers to make negative comments. One error was however highlighted by some agents: we had asked for price increase information in June. It was pointed out that this was too early for such data to be available. Was it an error, or was it part of the test?

One thing is certain. The two libraries have almost certainly benefited from economies of scale, and on a broader level another dividend is already clear: collaborating on this ambitious and important initiative proved remarkably easy. It looks as if Follett will make it worth our while to work together in more areas from now on. We greatly look forward to doing so.

Copies of the letter of invitation, general information and tender schedule are available from Trevor Lyttle at the Main Library, Queen's University of Belfast, Belfast BT7 1LS