

TENDERING FOR PERIODICALS SUPPLY: THE SUBSCRIPTION AGENT'S PERSPECTIVE

Paul Harwood

Increasingly, libraries are being required or are choosing to 'test the market' by putting their periodicals business out to competitive tender. In many cases, tender documents are of a poor quality and fail to address the peculiarities of our industry. This short article outlines some of the problems and offers some practical advice based on actual experience.



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Snapshots:

Monday morning, 2 September, 10.30 am, a large manilla envelope arrives on the sales manager's desk. It is an invitation to tender for periodicals supply. As well as some instructions, a list of 3,000 journal titles is supplied. The tender requires that each title is individually priced and that it is returned on 4 September. The contract is for one year.

Another day, another agent. A similar fat package arrives: another tender. This document is 50 pages long, and includes copious legal jargon, wants to know how many paper clips their office keeps in stock at any one time, and also wants financial terms for the supply of their journals. No list of journals is supplied and no indication of expenditure is given.

These snapshots will be familiar to any subscription agents reading this piece. Of course they are exaggerations of the truth but they are indicative of the type of tender documentation that agents are having to complete and compete on, and my belief is that neither the organisation tendering, nor the competing companies are doing themselves justice because of a basic failure to produce succinct and accurate tender documents.

Before I get accused of 'biting the hand that feeds me', can I say that the opportunity to compete for business on the basis of service and price in a formal tender situation is, I am sure, welcomed by all the major subscription agents. Sadly, the reality is that both of these key elements are being lost as a result of uncertainty and misunderstanding.

The uncertainty goes right back to the very beginning: "to tender or not to tender". There still remains considerable uncertainty over the EC directives on public supply contracts and their relevance to the supply of periodicals. Therefore we have situations where one particular library advertises its periodicals business every year, whilst others believe that the Directive does not apply to them. The jargon of the EC compounds the uncertainty: "Should I tender under the 'open' or 'restricted' procedure?" Enter the accounts/supplies person and cue the misunderstanding.

There is a perception among people who work primarily in the purchasing/supplies profession, that subscription agents are the 'fat cats' in the periodicals information chain, sitting in the middle and creaming off huge profits by way of service or handling charges.

Discounts of 10 or 20% are therefore gaily banded around in any pre-tender discussions that may take place and in a post-tender discussion, that I had recently with a supplies person at an academic institution, the person in question expressed surprise and disappointment that the competing tenders were all very similar in price! The reality is that agents live on relatively low margins, and the more these are squeezed, the more difficult it will be for them to maintain the high levels of service expected.

'Keep it simple' must be the recipe for a successful tender exercise and on that basis I return to the two words mentioned earlier, **service** and **price**. Librarians are service providers. They know what constitutes good and bad service from subscription agents, and what are the important elements in that service. Visit the agents in question. Would you spend several thousand pounds of your own money without seeing the people, goods or operation of the company you were buying from?

Concerning price, the starting point must be publishers' cover prices, which is the one constant in all the variables associated with pricing. Thereafter, consider the level(s) of any handling charge(s), discounts, and invoice payment dates associated with this, and the agent's policy towards exchange rates for the purchase of

overseas journals. Detailed below is a list of points worth considering before evaluating quotations:

- Are all the quotations for the same subscription year?
- Are all quotations using the same exchange rates?
- Are all quotations for the same number of titles?
- How many of the prices has the agent estimated and is this indicated?
- Are all the quotations for the same variation of a title (e.g. with or without index)?

Some of these points may seem obvious, while others may not have occurred to you, but any of them can make a significant difference to the comparison you are trying to make.

I do not want to give the impression that all tenders received by agents are poor quality documents. They are variable and I suppose on the basis that tendering for periodicals supply is still a relatively new phenomenon, they should get better. The better they are, the more chance agents will have to return a quality response that will show them in their best light. This should make the ultimate decision-making process a more accurate and worthwhile exercise.