

**REPORT TO: NEIGHBOURHOOD RESOURCES AND DEVELOPMENT COMMITTEE
13 MAY 2002**

REPORT ON: SUPPLY OF LIBRARY RESOURCES

REPORT BY: DIRECTOR OF NEIGHBOURHOOD RESOURCES & DEVELOPMENT

REPORT NO: 339-2002

1.0 PURPOSE OF REPORT

1.1 To seek approval of proposals for the supply of library resources.

2.0 RECOMMENDATION

2.1 The Committee is asked to approve the proposals for the supply of library resources set out in paragraph 7.3.

3.0 FINANCIAL IMPLICATIONS

3.1 Provision exists within the Neighbourhood Resources and Development Department's Revenue Budget 2002-2003 for stock acquisition, allocated to meet resource needs on a city-wide basis.

3.2 The arrangements for supply of library resources outlined will ensure advantageous trading relationships with a core group of suppliers, and that efficiency in procuring resources for public use is sustained.

3.3 Due to arrangements outlined in 3.2 above beneficial discounts have been negotiated with the suppliers resulting in an increase in spending power of £6,750 compared to the previous agreement.

4.0 LOCAL AGENDA 21 IMPLICATIONS

4.1 None.

5.0 EQUAL OPPORTUNITIES IMPLICATIONS

5.1 None.

6.0 BACKGROUND

6.1 Prior to 1995, an arrangement was in place whereby the supply of books to libraries was managed in a stable environment due to the trading terms which existed. All public library authorities were eligible to hold a Library Licence issued by the Publishers Association on which the nominated book suppliers would supply stock at an agreed fixed discount of 10%. This level of discount was offered by all suppliers, irrespective of the level of funds spent by individual libraries. This arrangement was known as the Net Book Agreement.

6.2 The collapse of the Net Book Agreement in 1995 has had a widespread effect on the arrangements for the supply of books to public library authorities. The standard discount of 10% on published price is no longer mandatory and this prompted the public library authorities and the book supply trade to re-examine their trading relationships.

- 6.3 For the financial year 1999/2000, the Neighbourhood Resources and Development Department prepared a specification for the supply of stock which was circulated to companies in the library supply field to gather information on their capabilities and their revised terms of business for supplying the Council. This process led to agreements being drawn up with five companies. These arrangements were extended for a further 24 months and are therefore now due to be reviewed.
- 6.4 The criteria used in assessing the responses to the specifications were as follows:-
- Capability to supply stock on approval.
 - Stockholding facilities.
 - Ability to comply with delivery requirements
 - Quality control systems operated by the company.
 - Supply rates and terms for fulfilling orders.
 - Invoicing clarity, terms of payment, credit procedures.
 - Cost per unit to supply shelf ready stock.
 - Proposed discount for each stock category.
 - Account monitoring and customer support.
 - Potential use of information technology links.
 - Recent experience of dealing with each company.
- 6.5 Certain categories of stock require to be excluded from the revised process of acquiring stock as they are obtainable only from specialist sources of supply. These include books in ethnic languages, large print material, audio books and items relating to local studies.
- 6.6 A proportion of stock will be ordered from local suppliers who can respond to urgent orders, thus assisting the service to meet Performance Indicator targets.
- 6.7 Individual agreements with nominated suppliers will have a duration of twelve months from 1 June 2002, with the Council having an option to extend the period by twelve months on the same, or varied, terms and conditions. Thereafter, the agreements will continue to run from year to year, unless terminated by either party on giving three months' written notice.

7.0 **EVALUATION**

- 7.1 On the basis of information supplied by the companies, costings were undertaken to establish the range of competition for each category of stock. Factors taken into account were: the level of business which companies could sustain and respond to on the basis of their stockholding; and the quality of customer services experienced.
- 7.2 The recommended allocation of business is set down in a manner which will allow the acquisition of resources to be managed efficiently and with enhanced customer support from the companies concerned.

<u>Supplier</u>	<u>Categories</u>
Cawdor Book Services 96 Dykehead Street Queenslie Glasgow G33 4AQ	A – Adult fiction/non-fiction B – Pre-publication
Dawson UK Ltd Crane Close Dennington Road Wellingborough Northamptonshire NN8 2QG	C - Reference D - Standing orders

Rondo
Unit B16
Dundonald Enterprise Park
Carrowreagh Road
Dundonald BT16 0QT

G - Videos/DVDs
H - Audio

Cypher Group
Elmfield Road
Morley
Leeds LS27 0NN

E – Children’s books

8.0 CONCLUSION

8.1 This exercise has been approached from the viewpoint of obtaining value for money from suppliers. The new business arrangements require all parties to engage in a formal relationship which will benefit service users.

9.0 CONSULTATION

9.1 The Chief Executive, Directors of Finance, and Support Services have been consulted in the preparation of this report.

10.0 BACKGROUND PAPERS

10.1 No background papers as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

Director, Neighbourhood Resources & Development

Date