

REPORT TO: COMMUNITIES COMMITTEE - 14 FEBRUARY 2005

REPORT ON: SUPPLY OF LIBRARY RESOURCES

REPORT BY: HEAD OF COMMUNITIES

REPORT NO: 96-2005

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 Communities Department's Revenue Budget 2005-2006 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.

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 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, and specifications for library supply have been drawn up regularly since then. The most recent specification was drawn up for the financial year 2002/2003, and was secured for a maximum of three years.

- 6.3 For the financial year 2002/2003, the Communities 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:-
- Ability to comply with delivery requirements
 - Access to on-line databases through supplier websites.
 - Account monitoring and customer support.
 - Capability to supply stock on approval.
 - Cost per unit to supply shelf ready stock.
 - Electronic catalogue record provision.
 - Invoicing clarity, terms of payment, credit procedures.
 - Proposed discount for each stock category.
 - Provision of management information electronically.
 - Quality control systems operated by the company.
 - Recent experience of dealing with each company.
 - Stockholding facilities.
 - Supply rates and terms for fulfilling orders.
- 6.5 Certain categories of stock require to be excluded from the revised process of acquiring stock. Some categories of stock are obtainable only from specialist sources of supply, including ethnic languages, large print, audio books, local studies materials.
- 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 April 2005, with the Council having an option to extend the period by twelve months on the same, or varied, terms and conditions, 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
Farries Library Suppliers Irongray Road Lochside Industrial Estate Dumfries DG2 0LH	B - Reference

Dawson UK Ltd
Crane Close
Dennington Road
Wellingborough
Northamptonshire NN8 2QG

C - Standing orders

Cypher Group
Elmfield Road
Morley
Leeds LS27 0NN

D – Children's books

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

E - Videos/DVDs
F - Audio

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.
- 8.2 There is not a significant increase in discount and a levelling off on previous years was anticipated. However, this has been offset in some part by suppliers developing their service provision and enabling stock to be selected via websites. Prior to the current agreement, stock selection was carried out in a variety of ways, primarily through centralised approval collections. In line with changes to working practices, the decision to utilise supplier on-line databases has eradicated the need for staff to travel to a central point to select stock. This can now be done from any library.

9.0 CONSULTATION

- 9.1 The Chief Executive, Depute Chief Executives (Finance) and (Support Services) have been consulted in the preparation of this report.

10.0 BACKGROUND PAPERS

- 10.1 None

Signed: Stewart Murdoch
Head of Communities

Date: 7 February 2005