LIBRARY PURCHASING CONSORTIA IN THE UK:

ACTIVITY AND EFFECTS IN THE PERIODICALS SUPPLY MARKET

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Abstract

This article is based on surveys undertaken for a BLRIC/LIC-funded research project (RIC/G/403). It describes the models of operation of purchasing consortia in two library sectors (health and higher education) and their expenditure patterns. Present and future savings deriving from consortial activity and the effects of consortia on periodicals suppliers are discussed. The article closes by predicting future activity. The views expressed are those of the authors, not of BLRIC or LIC. The full report is available from CPI Ltd (e-mail enquiries@cpi.ltd.com quoting ISBN 1 898869 56 1).

1 Introduction

The information contained in this article has been derived mainly from surveys undertaken for a BLRIC/LIC-funded research project (RIC/G/403). The views expressed are of course those of the authors, not of BLRIC or LIC.

The consortia surveyed cover four library sectors: higher education, further education, public and health libraries. Consortia included were identified in spring 1998, and the questionnaire returns were made during September and October of the same year. Data gathered were also supplemented by seminars held for the consortia in July 1998 and March 1999.

A representative selection of book and periodicals suppliers was also surveyed, by questionnaire and interview, at the end of 1998 and in early 1999.

For the purposes of this article, given its likely audience, we have concentrated on the activities of consortia in the higher education and health sectors, and on the experience of periodicals suppliers. Information on the other sectors, details of the survey methodology and contact addresses can be found in the full report[1].

2 Definition

We define a library purchasing consortium as an association of independent organisations that act in concert to procure for themselves goods and/or services specific to libraries.

Two things should be noted about this definition. Firstly, it includes both consortia that comprise only libraries and consortia that comprise libraries' parent organisations. Secondly, it excludes organisations such as CHEST and NESLI. The latter may be similar to consortia in their effect, but are not answerable to constituent members. In fact, they act as the *agent* of one or more bodies.

It should also be noted that, generally, library purchasing consortia differ in one important respect from consortia active in other spheres: they do not buy in bulk and distribute to their members. Instead they will typically negotiate a collective framework agreement with one or more suppliers.

Individual libraries, as members of the consortium, will then make bilateral arrangements with these suppliers within the terms of the general framework agreement. The result is a standard agreement that can be tailored to the needs of individual libraries.

Results of the survey of consortia

6 Distribution

The distribution of library purchasing consortia across the United Kingdom is uneven and sector-dependent. Only higher education libraries show a well developed regional infrastructure of purchasing consortia covering virtually all eligible libraries. Even here there is a diversity of approach: some library consortia have set up their own frameworks; others have arisen from existing institutional commodity group arrangements. What is clear is that academic libraries are able to take advantage of formal or informal advice by procurement professionals and demonstrate improved accountability, negotiating skills and management credibility by doing so.

In the health sector there is a strong culture of informal networking as well as purchasing of services that has achieved a good measure of collaboration at local level. National initiatives are also evident: the NHS Supplies Executive has recently been out to tender for the national supply of books, periodicals and stand-alone electronic media. Networked information initiatives under way, such as NHSNet and the proposed electronic library for health, are already having a significant impact.

3.2 Governance

Few consortia are guided by a formal constitution or a governing board; most have either steering or user groups, or both. It is perhaps significant that a number of consortia are in early or transitional stages of development and so the current picture may not represent the eventual need for formal structures, should activities grow or diversify. Those with formal structures tend to be sub-groups (commonly called commodity groups) of general purchasing consortia (e.g. the Southern Universities Purchasing Consortium (SUPC)).

3.3 Membership consultation

Higher education purchasing consortia embed regular consultation meetings firmly into their operations at all levels and involve the entire consortium. They also provide occasional updating meetings and have established new communication initiatives, such as training programmes or e-mail groups.

Health library consortia tend to have occasional updating meetings for membership consultation, and to the exclusion of any other type of meeting. This presumably derives from the informal networking ethos that has fostered long-term, ‘grass roots’ collaboration amongst health libraries.

3.4 The role of procurement professionals

While there are clear sectoral disparities amongst the library purchasing consortia surveyed, the size of consortium expenditure seems to determine whether procurement professionals are involved. Thus in those whose spend consistently exceeds European Commission guidelines’ thresholds, the involvement of purchasing professionals is much more likely, and also crucial to the successful navigation of such procedures.

The most active and structured participation by procurement staff in library purchasing consortia occurs in higher education, where purchasing professionals are generally found within the libraries' institutions to advise as requested or needed. Even where the library consortium is constituted separately from the general institutional purchasing consortium, the contribution of procurement professionals to library working groups is reported unanimously by all respondents within the sector. Further, although not all HE consortia involve procurement staff in their contract negotiation process, each reported instance shows negotiation in tandem with librarians as a true partnership. Significant contributions have been made specifically in such procedures as evaluation of suppliers.

Only two health library consortia involve procurement staff: one in negotiations (not in partnership) and one informally. The significant recent partnerships between the NHS Supplies Executive and the NHS Regional Librarians' Group look set to transform materials procurement procedures for NHS libraries, following the tendering and award of national contracts for supply of books, periodicals and stand-alone electronic media for this sector mentioned above.

3.5 Meeting individual needs

The chief mechanism for meeting the diverse needs of individual libraries within a consortium is the combination of framework and bilateral agreements noted in §2 above.

Despite the widespread use of this mechanism, it has been suggested by several libraries that have elected not to join consortia, that they do not wish to be 'locked in' to arrangements not of their choosing. Neither do they want to see their individual identities, often as expressed in the details of servicing requirements, subsumed in the trend towards standardisation that accompanies the contract specification and development process. Higher education and health libraries consortia seem however to have succeeded in reflecting a wide range of members' needs, which were thought to be beyond the scope of a standard framework. To some extent this diversity can also be explained by the prevalence of in-house servicing departments in higher education libraries especially, where member libraries have tended to cater for their own requirements without recourse to external shelf-ready arrangements. Health library consortia tend to follow the HE model with their tradition of local level co-operation as well as the nature of their major resource provision, in journals and electronic information.

3.6 Tendering and contract management

Tendering and contract management form the heart of the procurement process. It is here that the involvement of procurement professionals is most valuable.

Fundamental to the tender is the specification of the goods and services to be provided. This specification must be as clear as possible, to ensure that suppliers know precisely what is required of them, both in terms of their response to the tender and the service eventually provided by the successful tenderers.

Evaluation of tenders once received is made according to a range of assessments by the consortium members. Different consortia apply different evaluation criteria; no two consortia reported equivalent weightings when rating an overall service standard. Our questionnaire elicited responses along a scale of measures including (but not limited to) service quality, level of discount, speed of service and value for money. In broad terms the majority of respondents reported greater importance awarded to quality and overall value of service than to cheapness or discount structures. This is an area that may well begin to benefit from more standardised practice within sectors, as evidenced by growing dissemination of evaluation criteria frameworks for suppliers between higher education library purchasing consortia.

There was a range of responses from consortia regarding terms on offer from suppliers that were considered attractive options by consortia. Particularly in book supply contracts (which in all cases have started since the fall of the net book agreement (NBA)), the starting point is the list price. This figure could then be subject to specified fixed or sliding scale discounts (depending on volume of spend). Some contracts also provide for the application by booksellers of a management fee on low- or no-discount items. There is also currently talk of 'cost-plus' arrangements, where suppliers charge the cost to them of items from publishers or wholesalers, but add a fixed handling fee. The most helpful quotations treat servicing requirements as separately costed from supply, which facilitate contract monitoring using management information provided by suppliers. Periodicals typically attract lower discounts than books, within an economic environment that has not been so recently deregulated, although in this supply sector too a 'benchmark' discount was traditionally applied in recent years that could also cover costs associated with consolidation services. Consortia take great pains to arrive at true and comparable costings when evaluating tenders, by including variables such as the application of exchange rates for the supply of non-UK materials.

Once the contract is awarded, a range of practices is applied to cover its management. Evaluation and monitoring procedures are universally regarded as vital and some form of regular meetings programme with suppliers within a cycle of feedback from members is universal. Even where these meetings are infrequent only, they provide opportunities for particular problems that have arisen to be addressed with suppliers and resolved.

3.7 Type of commodity

Virtually all library purchasing consortia surveyed were actively involved in contract management, while significant numbers are also developing specifications and progressing tenders. Most reported more than a single supply contract under way for one commodity or service and the majority are managing multi-commodity programmes. Expenditure is mainly on books, periodicals, electronic journals (which may be included with periodicals subscriptions) and increasingly library management systems (LMSs). Two current binding services contracts are also reported, one of very long standing.

Book supply contracts are operated by nearly all HE purchasing consortia. These agreements are usually mirrored by periodicals contracts, but rapid advances in electronic publishing, full-text journal availability and networked subscriptions access initiatives in this sector have caused more than one HE consortium to await further developments before renewing periodicals arrangements. The health sector maintains an even-handed participation in agreements covering electronic media as well as periodicals, where the technical distinctions between stand-alone and networked resources (as well as issues of duplicated local resource access) are significant in their contract allocation.

For NHS library purchasing consortia, initiatives to improve dissemination and delivery pathways for electronic information resources at regional level also have a national counterpart in the developing NHSNet and National Electronic Library for Health. The potential for networked electronic information delivery as distinct from stand-alone electronic resources is also under scrutiny by the NHS Supplies Executive.

3.8 Contract duration

One of the most striking features of the library purchasing consortia surveyed is how recently contracts have started across all sectors, reflecting a rapid growth in purchasing consortia activities in libraries worldwide. The majority of consortia (60%) in all sectors responding have become active within the last three years, with most of these reporting contracts under way only since 1998. Even the larger and longer established consortia that have been formed in the past three to five years (four in higher education, two in health) have significantly expanded their activities in the last year, and several of these have undergone substantial reconstitution or restructuring since 1996.

As mentioned above, just over half the consortia responding are operating several contracts concurrently in a range of areas. The distribution of contract duration however is much more distinctive across library sectors. All higher education consortia report a basic contract period of three years, most with options of renewal for a further two years. Amongst health libraries by contrast annual contracts prevail in the majority of consortia, although one reports a five-year contract.

4 Consortial expenditure patterns across library sectors

4.1 Context

The following indicative expenditure statistics on health library consortia are based on the extensive data gathered and analysed by the Library & Information Statistics Unit (LISU) at Loughborough University. Statistics for the higher education library consortia have been provided by SCONUL. We are indebted to all bodies for the comprehensive and up-to-date expenditure data supplied, which are based on 1996-97 actuals.

Despite the provenance, the statistics carry the following health warnings:

a) It must be emphasised that the figures used do not denote actual expenditure through consortium agreements (that information is rightly regarded as confidential by both consortia and, generally, suppliers); they represent *indicative* levels only, drawn from information in the public domain.

b) Not all consortia surveyed are included in the following expenditure allocations. One notable exception is the independent health sector library purchasing consortium CHILL (Consortium of Health Independent Libraries in London).

4.2 Consortia expenditure patterns

In this section the following convention is adopted**: expenditure by members covered by consortium agreements is printed in bold**.

4.2.1 Higher education consortia expenditure (from SCONUL[2] **statistics)**

Within HE our research discovered the following eight consortia covering, geographically, the whole of the UK: CALIM (Consortium of Academic Libraries in Manchester), HEPCW (Higher Education Purchasing Consortium in Wales) Libraries Group, LUPC (London Universities Purchasing Consortium), MUAL (Midlands Universities Academic Libraries), NEYAL (North East and Yorkshire Academic Libraries), Northern Ireland Academic Libraries Consortium, SUAL (Scottish Universities' Acquisitions Librarians), SUPC (Southern Universities Purchasing Consortium) Libraries Project Group.

Their potential expenditure is summarised as follows; the number of libraries in each consortium is given in brackets:

Consortium	Books	Periodicals	E-media	Binding	Total
CALIM (10)	2,304,947	2,624,395	792,135	171,579	5,893,056
HEPCW (10)	1,305,309	2,489,073	482,377	245,884	4,522,643
LUPC (32)	3,883,424	5,341,198	923,729	308,022	10,456,373
MUAL (11)	3,450,989	4,005,818	910,413	254,347	8,621,567
NEYAL (21)	6,689,956	8,081,392	1,662,063	891,052	17,324,463
NI (2)	387,908	628,685	36,000	105,413	1,158,006
Scottish (16)	3,904,799	6,305,900	1,030,019	469,136	11,709,854
SUPC (37)	9,585,560	12,470,627	2,697,865	1,150,538	25,904,590
Totals All Exp.	31,512,892	41,947,088	8,534,601	3,595,971	85,590,552
Contract Exp.	31,124,984	32,600,072	2,697,865	351,297	66,774,218

4.2.2 Health library (NHS) consortia expenditure (from LISU[3] statistics)

Six health library consortia were identified and surveyed: CHILL (Consortium for Health Independent Libraries in London), HELIN (Health Libraries and Information Network), North Thames, South Thames, Trent and West Midlands.

As noted above, the NHS Supplies Executive, which estimates an £8 million expenditure nationally amongst NHS libraries for books and periodicals, has recently concluded national agreements for books, periodicals and stand-alone electronic resources.

NHS regional library purchasing consortia expenditure can be summarised as follows; the number of libraries in each consortium is given in brackets:

Consortium	Books	Periodicals	E-media	Total
CHILL (30)	?	?	?	?
Oxford and East Anglia (69)	183,608	373,725	124,088	681,421
North Thames (53)	183,117	498,157	128,347	809,621
South Thames (24)	539,076	622,930	202,539	1,364,545
Trent (30)	240,176	367,697	53,610	661,483
West Midlands (5)	190,661	424,410	70,852	685,923
Totals All Exp.	1,336,638	2,286,919	579,436	4,202,993
Contract Exp.	183,608	1,421,065	376,897	1,981,570

Results of the survey of suppliers

5.1. Impact of library purchasing consortia on periodicals suppliers

Periodicals suppliers represent a distinct group whose experiences of and attitudes towards consortial supply are quite different from those of their book supply counterparts. They are much more homogeneous in size and their target library markets and to a certain extent lead potential clients in available technology for service support and delivery. They have a longer history of supplying library consortia in the academic and health sectors than their bookselling counterparts and have been unaffected in recent years by the NBA. Technological developments in the global electronic information marketplace have been a powerful driving influence in this sector, in which specific conditions affecting UK library supply are not critical to their future market share. The four periodicals suppliers responding constitute the key players in this sector active in the UK.

5.1.1 The tendering process

The influence of the European Commission's procurement directives on wide adoption of the tendering process is acknowledged in this supply sector, which reflects the more active awareness of European issues expected from suppliers with overseas bases and markets. Most of the respondents indicate a large number of library contracts in progress following successful tenders, generally over sixty but more often approaching or beyond one hundred. Each has had long-standing experience of tendering for consortial business within the last five years, of which all have been successful. All have consortial contracts presently under way.

5.1.2 Current consortia contracts

All respondents are currently managing at least four library purchasing consortia contracts, with six cited in one instance. In this sector the availability of electronic information in a variety of formats extends the portfolio of resources open to consortial agreements far beyond paper-based periodicals. Two suppliers report contracts covering stand-alone and networked electronic resources as well as one for microforms, which may or may not be rolled in with existing periodicals agreements. Although it is generally regarded that value-added services are not as important to the client group of (mainly) academic and health library consortia, servicing is cited as included within existing contracts to a variable extent by all respondents. Also mixed are responses on contract duration, which ranges from one to three years to three years upwards, with one-year extensions possible thereafter to a maximum of five years. Two suppliers report consortial agreements active since 1994/1995 of which the longest in progress will extend to the year 2001.

5.1.3 Advantages and inhibitors

All suppliers cited 'volume of trade' as an advantage gained from consortial contracts and restricted their comments to the section addressing benefits from existing agreements. Two respondents each noted 'improved communications with clients', 'long-range capacity planning' and 'stable discount framework', although one with the proviso that the latter included volume guarantees. One supplier in addition to all those above cited 'transparent costing structures'. In follow-up interviews a supplier made the general comment that periodicals agents see consortia as the future of library supply to the extent that they were favouring consortial tenders over individual accounts, although evidence is that these continue to produce a steady stream of business also. Interviews also confirmed that periodicals suppliers view consortia contracts as contributing positively towards *medium-* rather than long-range capacity planning after which time the client base is more volatile than ever. This shift in perception amongst suppliers has exchanged what used to be regarded as guaranteed customer loyalty for an indefinite period for a more short-term contract servicing approach. As with book suppliers, the perceptions of benefits gained from periodicals supply to consortia are that these are embedded in their current business practice in any case.

5.2 Effects of library purchasing consortia on the markets

This compact group of four respondents displays relative homogeneity in terms of existing library purchasing consortia contracts, available technology, client base and commercial pressures on business activities. Although a certain amount of agreement in questionnaire responses, detailed below, would be expected there is also a surprising amount of variance in the replies given. Three of the four suppliers kindly consented to be interviewed and provided most useful additional information.

5.2.1 Suppliers' own business

Three of the respondents indicated that purchasing consortia had increased their volume of trade, whilst the fourth reported that volume had remained the same. The latter supplier also noted (in general agreement with other consortium suppliers) that there were no economies of scale achievable in supplying to consortia: increased volume meant increased costs.

Respondents split evenly on operating margins: two reported that consortial contracts had produced no change and two noted that their margins had decreased. Of these latter one added that the decrease had been due to the twin factors of improved terms to consortia and reduced discounts from publishers.

There was universal agreement amongst respondents regarding the mixed impact of consortia on stability of their client base, which was characterised as providing short-term security for the duration of a contract with much greater instability at contract end. This is seen by one supplier as generating the potential for major shifts in business within the periodicals supply sector, which could lead to a 'domino effect' within the industry. Another respondent agreed, referring to the 'huge implications' attendant on loss of contract. In a follow-up interview a third supplier noted a shift in perception amongst periodicals suppliers towards short-termism in contract servicing, having moved on from the previous expectations of indefinite periods of customer loyalty. This change in attitudes appears to be a general theme amongst library book as well as periodicals suppliers.

5.2.2 The library supply sector

Two of the four respondents reported consortia as having produced an overall increase in the volume of trade accruing to the periodicals supply sector, one noted a stable state and the fourth that the sector's turnover had decreased.

All respondents reported a sectoral decrease in operating margins resulting from consortia in the periodicals supply industry, of which one considered that the effect was slight.

Two suppliers noted that the overall market for periodicals supply had not altered in size, although one referred to increased movements of clients between suppliers. The other two considered that the sectoral situation reflected that pertaining within their own business with short-term stability holding for the duration of supply agreements, which then became much more volatile at re-tender with increased potential for negative implications.

5.2.3 The publishing industry

Periodicals suppliers maintain a different relationship with publishers from their bookselling colleagues, which fosters an atmosphere of partnership. Publishers, in their role as suppliers to periodicals agents, are seen as providers of primary content to be made accessible via subscription agents' gateways, as well as potential clients for marketing and promotional activities. There are also areas where technologically rich publishers might offer services in competition with subscription agents and provide direct access to their resources for libraries and consortia. Periodicals suppliers do not necessarily anticipate that provision of value-added services to library clients would present a competitive edge.

Two of the three respondents perceived that purchasing consortia had reduced to some extent publishers' volume of trade whilst the third reported no change. One explanation could be the successful implementation by periodicals suppliers of 'one-stop' electronic information gateways to provide a unified interface to a variety of journals by different publishers, which would otherwise require individual access arrangements for consortium member libraries.

Three respondents noted that publishers' operating margins had remained the same, of which one reported that prices had increased. The fourth supplier declined to comment.

All three suppliers responding reported that publishers' market demand had remained unchanged.

5.3. Conclusions form the survey

From the foregoing survey it is clear that there are enormous changes in many areas presently affecting suppliers of books and periodicals to libraries. Whether one directly ascribes to library purchasing consortia a significant influence in stimulating change, depends on relative perspective on the library supply industry from a vantagepoint in the marketplace. While the increase of consortial activities across library sectors has coincided in time with structural upheavals for suppliers, it is questionable whether purchasing consortia have been more influential than, for instance, the demise of the NBA, the general introduction of EC procurement directives, local government reorganisation, restricted library budgets or the global advent of broadband network technology. Each has contributed in its own way to destabilising existing circumstances that in many areas have represented a long history of practice and informal agreement within the library supply industry. It is difficult to unpick the complex interactions of factors to arrive at a definitive statement of cause and effect, particularly as it could be argued that reciprocal and combined influences are as powerful as single ones and there is every chance that change would have happened in any case.

Book and periodicals suppliers to libraries operate in very different environments and their relations with library purchasing consortia reflect their separate circumstances. Each sector has reacted differently to the involvement of consortia in the marketplace, which for library booksellers presents a patchwork of very individual concerns depending on target market, niche provision and nature of business. The larger periodicals agents sampled, by contrast, operate under a much more uniform framework; even so, their responses are not as unanimous as circumstances might suggest. Nevertheless, for all library suppliers there are common views regarding the influence of library purchasing consortia on the market that emerge from survey responses by both sectors.

The following positive benefits are seen by suppliers to derive from tendering successfully for library purchasing consortia business, at least in the medium term:

working partnership to an agreed specification that takes account of partners' needs;
steady volume of trade as long as service levels are maintained;
more transparent costings for duration of contract;
capacity planning benefits;

opportunity to streamline business practice;
ability to introduce new services.

Shared concerns amongst all suppliers include the following:

discount levels to consortia may be set at unsustainable levels that will eventually alter the marketplace;
market share to suppliers has become more volatile in the medium term;
insufficient standardisation amongst consortial members' requirements to achieve economies of scale;
consortia agreements too restrictive on suppliers and not restrictive enough for member libraries;
quality of service provided by suppliers will inevitably decline as margins are reduced;
concessions from publishers to consortia suppliers are likely to remain low or non-existent;
the 'all or nothing' nature of consortia contracts has operational implications for suppliers.

Compared with library book suppliers, the widespread introduction of technology on a global scale has already served to transform the face of library periodicals supply. Without the recent after-effects of the lifting of long-standing national trading restrictions as for booksellers, periodicals agents have been well placed to capitalise on earlier technological investment and take advantage of developing conditions and infrastructure worldwide. Parallel advances in their client base have meant that innovative systems and services could be implemented that were tailored to fit the needs of their market, justify development costs and extend the scope and demand for future business. As subscription agents' services are also targeted to respond to multiple institutional clients, they see library purchasing consortia as representing the future direction of library supply for their sector which is a trend amply confirmed by international experience.

Future concerns and opportunities for this more stable library supply sector are likely to centre round global intellectual property rights, copyright agreements, digitisation and archiving initiatives, site licensing considerations and establishment of appropriate models to take account of these factors in facilitating access to electronic information, alongside continuing technological expansion. The ongoing debate regarding parallel publication of electronic and printed media will continue to involve suppliers in issues such as widening access to full-text sources through partnerships with primary and secondary publishers. Technological capability will not be sufficient on its own to guarantee commercial security, however: content provision will become ever more key in a marketplace that has traditionally acted as an intermediary. It remains to be seen whether advantageous positioning as well as flexibility will see periodicals suppliers through indefinitely, but to this sector to date consortial supply represents more of an opportunity than a threat.

6 Future activity of consortia

The past four years have seen a burgeoning of consortial activity, a response in part to the demise of the NBA. This period has served to acquaint both librarians and suppliers with the new animals in the library forest. Many, on both sides, have felt themselves bounced into new relationships, which are only now settling into the familiar.

Suppliers have felt that consortia, of all their offerings, like only unpalatably high discounts. Concentration on discounts was however inevitable in this initial period: new parameters had to be set following the collapse of the NBA. Also, across-the-board discounts are easy to offer, to understand, to measure, to monitor, and to report on. It must also be remembered that consortia have not set the discount levels: despite their moans, suppliers themselves have offered the discounts and used them as an instrument of competition.

Price will always remain an issue: the consortia surveyed represent, after all, custodians and disbursers of public money; a primary duty is to achieve value for that money, and consortia have been very successful here. In the HE sector, where consortia have achieved the highest market penetration, we have calculated that savings from consortium activity may amount to £4.1m per annum. This represents 1.2% of the total annual HE expenditure on libraries, including staffing, of £343m. We expect this level of direct cost savings to increase, as more agreements come into force, and as consortia turn their attention to other areas of expenditure, such as LMSs. There are also hidden savings, which could not be readily calculated, for instance of staff time through tendering collectively rather than as individual institutions. The future should also see further hidden savings, as more and more agreements export work from libraries to suppliers, for instance in the requirement for shelf-ready books.

We expect health libraries to enjoy a similar level of savings across the whole of the NHS as national agreements come into force.

Consortia are also becoming increasingly interested in the other costs in the supply chain between the original request and material becoming available to the user. The recent monographs contract let by the SUPC, for instance, stipulated that suppliers must offer a full shelf-ready books service: libraries will therefore have the choice of either cataloguing and classifying in-house, or of outsourcing the task to suppliers at a set fee. Groupings such as NGCPAL have started to compile statistical data on supply times. This process will lead to the establishment of benchmarks, which will inform the future tendering and contract management processes. Taking time, as well as cost, out of the supply chain will have several beneficial effects. Most obviously it benefits the end-user directly, ensuring that resources are available in the shortest possible time. It also eliminates some at least of the time and cost, to libraries, intermediaries and publishers, of querying and chasing, enabling all parties to function with smaller staffs.

We also foresee consortia playing a major role in improving the quality of service from suppliers, working in partnership with suppliers to develop new services, and fostering the integration of systems and services. This is already evident in the shelf-ready books developments outlined above. This service requires a great degree of integration between the systems of book suppliers and those used by libraries. The books suppliers are required to supply this service to any library requiring it, and hence to interface with all the major LMSs. Consortia will be prepared not only to broker discussions between suppliers of different commodities; they will also write into specifications for such commodities requirements on suppliers for integration and co-operation.

Attention has hitherto been concentrated on the intermediaries: book suppliers and serials agents. Consortia may well also, in partnership with these intermediaries, start to negotiate directly with individual publishers or their representative organisations. The procurement expertise available in the consortia could well be seen as a valuable adjunct to the existing expertise and knowledge of the intermediaries.

In this context, the present structure of NESLI is seen by many as an impediment to the development of a competitive market.

There is concern about the monopoly created: NESLI deals are only available through one agent, which both levies charges and provides the interface. This monopoly runs directly counter to the operation of consortia, which consult their membership and then offer a choice of agents at agreed prices. It also potentially dilutes the volume of spending through consortium contracts, adversely affecting the discounts achieved by libraries.

There is also considerable disquiet about the conflict of interests to which the structure subjects the NESLI managing agent. The managing agent acts on behalf of the HE sector, negotiating prices with publishers. However the agent will be **paid** by the opposing side in negotiations, the publishers.

Such concerns have increased with the announcement of the merger between Swets and Blackwell's Information Services.

However NESLI develops, the year 2000 will see the start of a crucial round of consortium tenders. The SUPC contract for the supply of periodicals ends in summer 2001. A thorough review of the market place and its offerings, particularly in terms of licensing and related issues in the move from print to electronic journals, is being undertaken in the context of members' strategic requirements.

We predict that the specification developed for this multi-million pound tender may precipitate the next convulsion in the electronic revolution.

ACRONYMS

BLRIC	British Library Research and Innovation Centre
CHEST	Combined Higher Education Software Team
HE	higher education
LIC	Library and Information Commission
LISU	Library & Information Statistics Unit, Loughborough University
LMS	library management system(s)
NBA	Net Book Agreement
NESLI	National Electronic Site Licence Initiative
NGCPAL	National Group on Consortium Purchasing for Academic Libraries
SCONUL	Standing Conference of National and University Libraries
SUPC	Southern Universities Purchasing Consortium

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