Acquisitions Business in a Middle East Context

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Abstract:
The objective of this session is to set out brief outlines of Acquisitions business in a Middle Eastern context. Also it aims to educate in aspects of business relationships management. The Middle East context to Collection Development and Acquisitions is of interest to Librarians and Book Suppliers keen to do business in the region. Developing collections, selecting suppliers and the actual process of getting the resources into the region needs a closer look to understand the expectations from both vendors and clients' standpoint. The cultural aspects that shape the discussions and expectations; thoughts, challenges, set procedures are all aspects that if not properly appreciated and implemented with due patience might lead to undesirable outcomes.

Introduction

Business is generally being engaged in the trade in goods or services or both to consumers (or clients). Acquisitions business is the function and responsibility for the selection and purchase of information resources or materials for the library. Acquisitions sections may select vendors, negotiate consortium pricing, license terms, arrange for standing orders, and/or select individual titles or resources (depending on the size of the library or system). [i] The process includes budgeting and negotiating with outside agencies, to obtain resources to meet the needs of the institution's clientele in the most economical and expeditious manner. The Acquisitions business is usually managed by an *acquisitions librarian*. In small libraries, the acquisitions librarian may also be responsible for collection development, but in most public and academic libraries, this responsibility is shared by all the librarians who have an active interest in collection building, usually on the basis of expertise and subject specialization [ii]

Functions covered in the acquisitions business will often encompass the following areas:

- Ordering, claiming, receiving, and payment for all library materials.
- Monitoring, coordinating, implementing and evaluating all collection-related activities.
- Serials check-in, control, organization and shelf preparation.
- Providing management and financial reports/statistics.
- Selecting and evaluating sources of supply.
- Organizing gift and exchange activities.
- Providing current awareness services. [iii]

In line with best practice priorities I was aware of the need to enhance the existing processes when I joined the Petroleum Institute; an Engineering University Library in one of the GCC countries. The University is dedicated to providing world class science and engineering education to prospective students pursuing courses leading to engineering qualifications and employment in the energy sector. The library has the following Mission and Vision:

> "… provide the appropriate resources and services for its users to support education and research, and will assist users to build a foundation for life-long learning to become information literate members of the petroleum industries.

The Library will be a world-class resource center committed to excellence in support of the information needs of all its affiliated users." [iv] The Library's print, and electronic collections has expanded rapidly to meet the needs of students and faculty. The collections reflect a wide range of reading levels of students from Foundation to Senior as well as Graduate programs. As areas of research have emerged the collection is being strengthened in the appropriate areas.

At the beginning, the acquisition business faced considerable challenge as the newly established library had to work within the corporate culture and procedures of an energy company to develop a collection to meet the teaching and research needs of a university. There needed to be:

- **A Learning** process for the librarians. To appreciate why specific corporate rules and regulations existed and were (sometimes)

different from the way university libraries elsewhere operated. An opportunity for the librarians and management to explore why procedures needed to be adjusted to lead to better services.

- **Trust developed** between the librarians on the one hand and the management; procurement and finance officers on the other hand;
- **Reputation and Credibility enhancement** leading to reduction of doubts on librarian's intentions; strengthening justification as to why alternative vendor(s) was or were better value for money.
- **Process Improvement** initiatives resulting in introducing different ways of carrying out processes, cutting out redundant steps and empowering the librarians to work effectively to maximize efficiencies.

The process to start with…

The acquisition process on the ground was extremely elaborate and extensive to cover every loophole. It was meant to ensure that there was no opportunity for unscrupulous or dubious dealings either on the side of the vendors or the library. There was a requirement for three quotes per item to ensure competitive pricing. The Library provided the list of requirements to the Procurement Department and Procurement sought the 3 quotes per title. Once prices were obtained and the final suppliers selected they had to source and supply identified materials at the agreed price(s). This was very time consuming and required a lot of preparation and to get quotes on technical resources from local vendors was unsuccessful most of the time. The result was that faculty were rather dissatisfied due to resources not coming in timely or not coming in at all.

Preferred Vendor - Phase 1

The suggested solution was to go to tender and select a preferred vendor from whom all or most of the resources would be sourced. This proved to be the best decision. Once the technical and commercial evaluations were accomplished the tender was awarded and the procedures and processes negotiated between the successful vendor, Procurement, the Library and Finance to ensure smooth supply of resources. This should have operated well but for aspects that were included to reiterate and follow
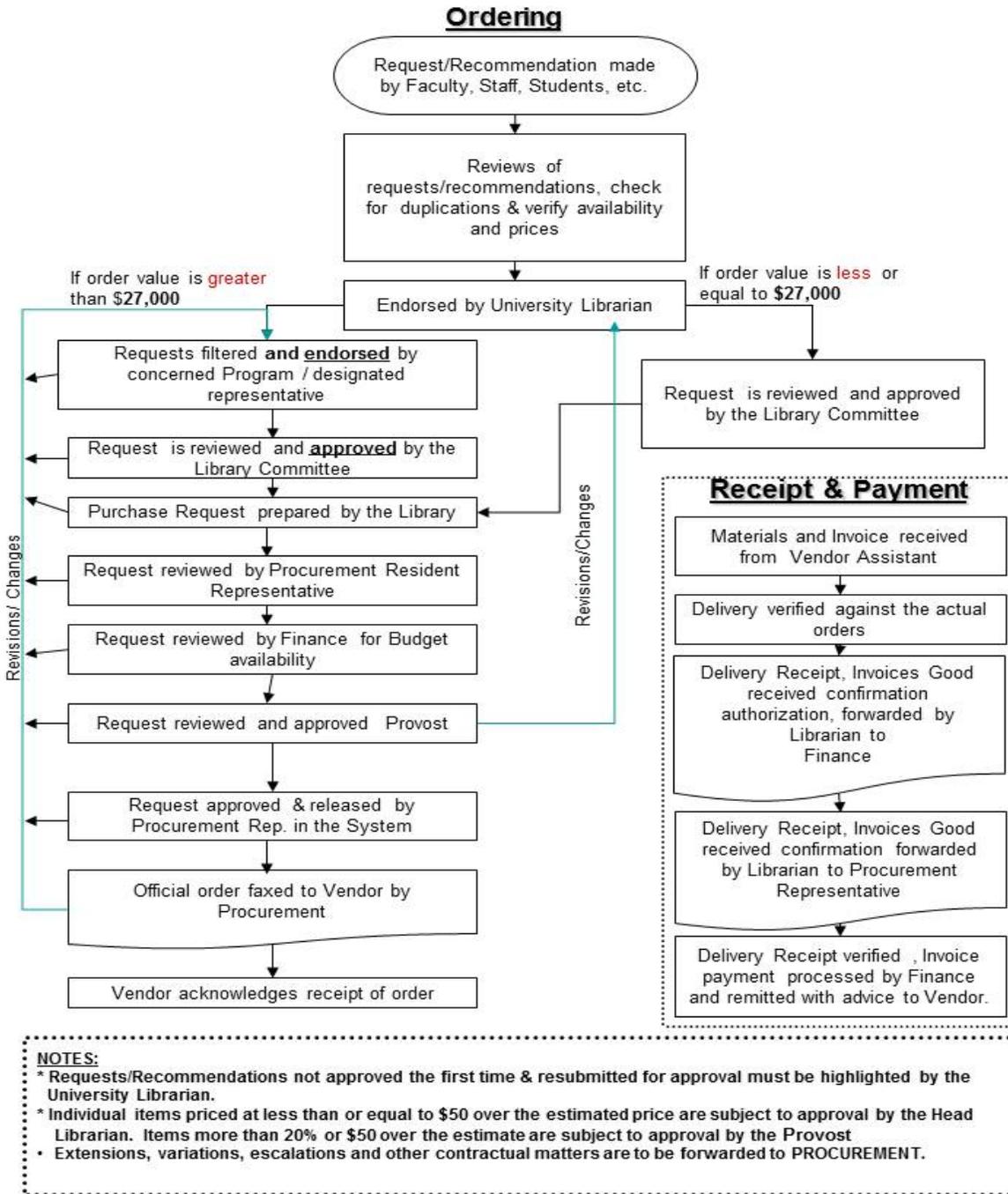
existing practices that were not necessarily applicable for library acquisitions business. The Vendor needed to deposit a percentage of the value of the tender as performance guarantee. The library needed to get 3 competitive prices per title, one of those prices being from the preferred vendor database. The approval process also involved several authorizations including and starting from the Academic Department Director or their representatives, Library Committee, Finance, and Procurement. All these offices had varying levels of commitment and priority placed on the ordering process and the time taken from request to placing of the order varied from one month to 4 months or even longer. Apart from the Vendor database, the library also entered the orders in the local Library System and was required to enter the orders into the procurement system; one at a time. At each level these order requests were printed out for relevant authorizations. The official order was printed out and faxed to the vendor. Unlike in many University libraries the official order was to come from Procurement and the library would then receive copies of the fax which triggered the submission of the electronic version of the titles to the vendor. This speeded up the processing of the orders on the vendor's system. Things to note about the turnaround time:

- The procurement system was the official institution record but there were other systems used so time used in creation and maintenance built up some delays.
- The responsibility of who sends out the official order and what format it did take also caused some delays. Until the official fax was sent the library had to wait. This ultimately added to the length of turnaround time.
- The number of signatories and approval stages in the chain were many and added significantly to the turnaround time.
- The length of time it took to get orders out of the institution resulted in a significant lack of spending of the book vote which meant that the collection development was impacted and the book vote was reduced in subsequent years due to under spending.
- The vendor payment process also included a number of steps to verify that the items had in fact been ordered and received and de-

spite using the preferred vendor; we also needed to verify that they were indeed in the system and Finance could go ahead and pay; this too added time and delayed the actual payments to the vendor.

The flowchart below shows the process and throughput using preferred vendor under the contract.

Procedure for the Procurement of Shelf Ready Materials (2006)

Ordering

Request/Recommendation made by Faculty, Staff, Students, etc.

Reviews of requests/recommendations, check for duplications & verify availability and prices

Endorsed by University Librarian

If order value is greater than $27,000

If order value is less or equal to $27,000

Requests filtered **and endorsed** by concerned Program / designated representative

Request is reviewed and **approved** by the Library Committee

Purchase Request prepared by the Library

Request reviewed by Procurement Resident Representative

Request reviewed by Finance for Budget availability

Request reviewed and approved Provost

Request approved & released by Procurement Rep. in the System

Official order faxed to Vendor by Procurement

Vendor acknowledges receipt of order

Request is reviewed and approved by the Library Committee

Revisions/ Changes

Revisions/Changes

Receipt & Payment

Materials and Invoice received from Vendor Assistant

Delivery verified against the actual orders

Delivery Receipt, Invoices Good received confirmation authorization, forwarded by Librarian to Finance

Delivery Receipt, Invoices Good received confirmation forwarded by Librarian to Procurement Representative

Delivery Receipt verified , Invoice payment processed by Finance and remitted with advice to Vendor.

NOTES:
* Requests/Recommendations not approved the first time & resubmitted for approval must be highlighted by the University Librarian.
* Individual items priced at less than or equal to $50 over the estimated price are subject to approval by the Head Librarian. Items more than 20% or $50 over the estimate are subject to approval by the Provost
• Extensions, variations, escalations and other contractual matters are to be forwarded to PROCUREMENT.

Preferred Vendor - Phase 2
With the benefit of experience from Phase 1 of the preferred vendor; a second phase was preferred and implemented which gave all the stakeholders an opportunity to revisit the processes and fine tune all aspects but make sure that institution policies and guidelines were not compromised. Below is a summary of the processes improved or as modified for the second phase.

Ordering process
Materials may be requested at any time in accordance with the approved Library Collection Development Policy (Selection Principles). For each item requested the library undertook to obtain 3 separate prices one of which was from the preferred Vendor Database.

Requests were verified against the preferred Vendor database by authorized library staff; then downloaded into a library system. Unique item order numbers are created for each batch of titles in the Library system (including details such as price, account code, requesting department or program and Faculty or staff requesting the title(s)).

A printed copy of the batch (es) was forwarded to Finance so the Library confirmed with Finance that funds were available to purchase the resources prior to sending orders to the preferred vendor. Finance endorsed the covering letter to confirm the availability of funds. This authority was necessary to cover the order so placed.

Orders were then sent electronically to the preferred vendor by the Library. A copy of the transmission is also sent to Procurement by the library for information and archival purposes. The preferred Vendor confirmed receipt of the orders electronically.

Delivery, receipt and payment
Materials are shipped on a fortnightly basis by the preferred vendor. Air waybills and commercial invoices as well as certificate of origin are sent to facilitate customs clearance(s).

Designated Library staffs check the contents of the carton(s) against the delivery note(s) and invoice(s).

Library staffs prepare Invoice batches for payment by Finance. Details of the Invoice(s) numbers and total amount(s) per invoice and the matching unique order identification numbers are included in a summary sheet that is signed off and Finance uses this to prepare payments.

Procurement gets a copy of the summary sheet (Only) for information. Finance also ensures that for each payment, remittance advice details and invoices covered are provided to the vendor so the payments can be allocated appropriately.

The chart below shows the procedure after process simplification, improvements and enhancements were implemented.

Procedure for the Procurement of Shelf Ready Materials   (2009)

Ordering

Request/Recommendation made by Faculty, Staff & Students.

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Reviews of requests/recommendations, checks for duplications & verify availability and prices

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Endorsed by Head Librarian

If order value is greater than $27,000

Requests/Recommendations filtered **and endorsed** by concerned Program/ Division Director designated representative

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Request is reviewed and **approved** by the Library Committee Reps.

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Purchase lists prepared by the Library

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Request approved by Head librarian & sent to Finance for Budget Availability

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Requests returned to Library for final processing

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Order less than $27,000; The Library places Orders with the Vendor

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Order more than $27,000; Procurement seeks signature of Higher Management then library places order with the Vendor.

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The Library notifies Procurement of total orders placed with Vendor

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Vendor acknowledges receipt of orders

Revisions/ Changes

If order value is less or equal to $27,000

Requests/Recommendations filtered and **approved** by concerned Program/ Division Director or designated library committee member

Receipt & Payment

Materials and Invoice received from Vendor

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Delivery verified against the actual orders

↓

Invoice processed on Library system, authorized for payment & forwarded by Librarian to Finance

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Summary of invoices forwarded by Librarian to Procurement for Information

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Invoices verified; payments processed by Finance & remitted with advice to Vendor.

NOTES:
* Requests/Recommendations not approved the first time & resubmitted for approval must be highlighted by the Head Librarian.
* Individual items priced at less than or equal to $75 over the estimated price are subject to approval by the University Librarian. Items more than 20% or $75 over the estimate are subject to approval by the Provost.
• Extensions, variations, escalations and other contractual matters are to be forwarded to PROCUREMENT.

Benefits from the process improvement

However small, the benefits from process improvements need to be celebrated especially for an emerging tertiary institution. The following are what are the distinct benefits derived from the process improvements since Phase 1 of the preferred vendor contract:

- Greatly improved turnaround time (fortnightly remittance of orders as opposed to once or so in over a month; and fortnightly delivery of materials ordered).
- Regular and progressive collection growth helped the library adhere to its contract obligations; as well as satisfy the growing resources demand from faculty and students especially towards research needs.
- Flexibility in the acquisitions business operations and significant support to process improvements from other stakeholders within the institution such as Finance and Procurement.
- Book vote totally spent for the first time in the history of the institution; and
- Vendor satisfaction with the speed of payment as evidenced by fewer claims of late or non-payment of bills.

The next steps

As a way forward the poster presentation at the Charleston conference has inspired a desire to explore the process improvement opportunities at other institutions within the GCC countries for comparative purposes as well as a starting point for future cooperation and exchange of ideas. This will be followed up and an exploratory study undertaken and progress and outcome be reported on at future conference(s).

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[i] http://en.wikipedia.org/wiki/Library_acquisitions
[ii] http://www.abc-clio.com/ODLIS/odlis_A.aspx?#acquisitions
[iii] http://en.wikipedia.org/wiki/Library_acquisitions
[iv] http://www.pi.ac.ae/PI_ACA/lib/about.php#blog