



Library Management System Renewal

SUMMARY

- 1.1 The Library Management System is a suite of computer programmes, with associated hardware, which holds all information on library stock, borrowers and transactions.
- 1.2 The system was installed in 1999 and the technology has moved on since then. It would be sensible to test the market to see whether an alternative might be better and cheaper.
- 1.3 Initial soundings around the industry suggest that options do exist which might yield ongoing savings. These would be big enough to cover the capital cost over a number of years.
- 1.4 Best value for money is likely to be achieved through a collaboration with Derbyshire County Council.

RECOMMENDATION

- 2.1 To endorse the proposal to initiate procurement on a European level or a new computerised Library Management System (LMS).
- 2.2 To endorse the proposal that, subject to suitable working arrangements being agreed between the two authorities, a new LMS be procured jointly and shared with Derbyshire County Council. The County Council would act as the Lead Authority, and the project would be managed by a Board comprising officers of both authorities.
- 2.3 To agree to receive a further report after the evaluation of tenders that will recommend a preferred supplier, and provide details of project costs and funding proposals.

REASON FOR RECOMMENDATION

3. Derby's libraries need to use the best available tools to allow for an expanding and changing role. Market testing over the next year could yield improvements in service and savings.



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SUPPORTING INFORMATION

- 2.1 The LMS holds all necessary information on library stock, borrowers and transactions. The system currently in use in Derby was bought to meet the requirements of Year 2000 compliance in 1999. It was procured jointly with Derbyshire County Council, with the County Council acting as the Lead Authority.
- 2.2 The initial contract for supply and maintenance of the LMS has expired, although maintenance is still provided. There is no financial provision for its renewal.
- 2.3 Since 1999, despite some system development, functionality and performance of the current LMS appear no longer to be in the leading class, and operating costs seem high when compared with some other systems now available. The pursuit of best value would dictate that we should test the market for an alternative LMS.
- 2.4 Over the last five years our system has delivered important improvements in service. For instance the online catalogue, online request handling, online payments. Now, the market is likely to be able to offer a new generation of benefits in terms of the reliability and the quality of online services to adults and children.
- 2.4 During summer 2005 indicative costs were sought from a range of LMS suppliers in respect of a stand-alone system for Derby, collaborative arrangements with other unitary councils and also a joint system serving both City and County Councils. It is clear from this investigation that when all associated factors are taken into account, a joint system with Derbyshire should offer the best value for money. The terms of the joint arrangement on ICT support were agreed in 1997, and are in need of updating. During the course of procuring a new LMS we will work with the County Council to review the joint arrangement, and to clarify the roles, responsibilities and expectations of both parties to the agreement.
- 2.5 A Joint Project Board will be created, comprising key staff from both authorities. As well as members of Library staff, the City's Board members will include representatives of the Procurement and Corporate ICT sections.
- 2.6 The proposed timetable for this project should result in the implementation of a new LMS by the end of 2006.

- 2.7 Procurement of a new LMS could generate opportunities for business process re-engineering. Some of these processes are the subject of joint arrangements between the City and County Councils. The ordering and cataloguing of new stock are back-office processes for which the County Council is the Lead Authority, and implementing improvements in those processes will be led by the County. Opportunities for business process re-engineering in Derby will focus on the receipting and preparation of new stock and in the whole book selection routine.
- 2.8 The objective of re-engineering will be to create a faster, more reliable service to customers and to create economies of time and money.
- 2.9 The current LMS uses a unique proprietary data capture system ("spot codes") to identify each item of stock and user ticket. The system supplier is withdrawing support for this system from summer 2006, and the library service is currently in the process of moving to an alternative system based on barcode technology. All potential suppliers of a new City/County LMS support a barcode system. A one-off budget allocation was made in 2005/06 to fund the final stage of migration from spot codes to barcodes, and to cover all associated costs.

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Background papers:	None
List of appendices:	Appendix 1 – Implications

IMPLICATIONS

Financial

- 1.1 There is £29,000 in service reserves which could support the development stage. However there is currently no budget provision for the capital or revenue costs of procuring and operating a new LMS.
- 1.2 The capital and revenue costs of a new LMS will be shared between City and County Councils, using a formula dating back to the disaggregation of the two authorities in 1997.
- 1.3 There are a number of suppliers of library management systems operating in the UK. Initial soundings undertaken by colleagues in the County Council suggest that, at the lower end of the scale, systems with adequate functionality could be procured for either £180,000 ("System A") or £225,000 ("System B"). The city's share would be £42,660 (System A) or £53,325 (System B).
- 1.4 The current annual revenue budget for LMS licences is £29,569. The County Council's research suggests that the City's share of annual system licences would be £16,092 for System A, and £8,295 for System B. Based on these figures it would take 3.2 years to payback the capital cost of System A from savings in revenue costs. The payback period for System B would be 2.5 years.
- 1.5 The research undertaken by the County Council has revealed that potential costs of a new LMS are highly variable. The most expensive system had an estimated capital cost to the City Council of £113,760, and annual revenue costs of up to £18,960. This worst-case scenario gives a payback period of 10.7 years. The reason for the wide variation in costs is unclear, and the added value – if any – of the most expensive system will not become apparent until we have undertaken a full tendering exercise based on a comprehensive specification of system requirements..
- 1.6 There are some significant exclusions from the outline costs, indicated in the previous paragraphs, of implementing a new LMS. These include
 - training costs, including costs of providing relief cover for front-line staff while they undergo training
 - additional costs associated with migration that may become apparent as a result of a formal tendering process against a detailed specification
 - one-off costs of implementing more efficient working practices made possible by the introduction of a new LMS. The nature and scale of such changes cannot be known until the preferred system is identified through the tendering process.

Legal

- 2 None at this stage.

Personnel

3. The project will be lead by the County Council, and managed according to PRINCE 2 principles. There will be a joint Project Board comprising officers of both Councils.

Equalities impact

- 4 None arising directly from this report. Equalities issues will be addressed during the procurement process.

Corporate objectives and priorities for change

5. The proposal would contribute to the City Council's priority of improving customer service, in the city centre and locally.