

MEMO

TO: Montana State Library Network Advisory Council

FROM : Sarah McHugh, Statewide Projects Librarian

DATE: May 12, 2010

RE: Statewide Databases Renewal for FY2011

The Council is asked to make recommendations to the State Librarian regarding the 2011 renewal of existing contracts with Gale Cengage Learning and EBSCO, Inc. for statewide subscription databases. Both of these two year contracts terminate August 31, 2011.

Two primary issues that affect those recommendations are the focus of this memo:

1. The results of negotiations with the vendors by MSL staff to find ways to deal with a gap in funding a full renewal. There is \$317,497 available for funding statewide database subscriptions in FY2011, as allocated by the 2009 Montana Legislature. If all existing databases were renewed without any cost adjustments by vendors or reducing databases, the total cost to MSL would be \$388,093. (EBSCO's Career Library is considered part of our overall suite, by EBSCO, so the cost of this database is part of the larger gap discussion, though this database was purchased with separate, one-time coal tax monies at the end of FY09. More information is below.)
2. The purchase by EBSCO of certain Forbes and Time titles under exclusive use agreements that have been historically provided by Gale, thereby making them unavailable or available in a different manner from Gale.

Results of Negotiations with Gale and EBSCO

To assist us in dealing with the funding gap, Gale has agreed to a one-time reduction of \$38,624 for the FY2011 renewal. This amount represents Gale's percentage of the originally identified \$49,265 gap (without factoring in Career Library). This reduces the cost of the Gale renewal from \$287,500 to \$248,876. Gale's offer of assistance was immediate, during our in person meeting on April 8 with Helen Wilbur, Gale's Senior Vice President, Consortial and Major Accounts. Gale representatives have also reminded us that Gale has not raised prices in the Montana packages since 2007.

Gale's response to the EBSCO purchase of titles under exclusive use agreements and its effect on the Montana contract is contained in the "Gale Response Montana Content" in the Council's meeting materials on the Council's website. Please refer to this document in preparing for the May 18 meeting.

EBSCO was not immediately willing to help with the funding gap. However, after hearing more details of funding cuts across Montana libraries and state agencies, EBSCO agreed to help Montana by holding the current Montana database pricing at FY2010 levels. EBSCO representatives note that Montana has been given an overall savings of 12% by EBSCO dropping their normal price increase of 5% last year and 7% this year. EBSCO considers all the Montana EBSCO statewide subscriptions as one package, maintaining that the purchase and renewal prices for each resource are “special package” pricing with each affecting the other. For that reason, though Career Library and Automotive Repair Reference Center were not purchased with the same Legislative funding as the “beyond the core” subscriptions and were each purchased at different times, both fall within a single EBSCO package in terms of figuring out the funding gap.

FY2011 pricing for each EBSCO database is:

Auto Repair Reference Center: \$15,000
Career Library: \$21,333
CINAHL with Full Text: \$32,130
Small Engine Repair Reference Center: \$16,065
Environment Complete: \$16,065
Total Cost: \$100,593

EBSCO also includes these additional databases at no additional charge in the current statewide suite:

LISTA (Library, Information Science and Technology Abstracts)
Teacher Reference Center
GreenFILE

The “package” approach to the EBSCO databases affects any discussion of cutting one or more of these databases. Prices on the remaining databases are increased based on how many are cut:

If only 4 of the 5 databases are purchased, the listed prices increase by 8% (down from an original 10% quoted by EBSCO during initial negotiations)

If only 3 of the 5 databases are purchased, the listed prices increase by 15%

If only 2 of the 5 databases are purchased, the listed prices increase by 20%

If only 1 of the 5 databases is purchased, the listed price increases by 25%

The EBSCO databases are the databases to consider if a reduction in the statewide subscriptions were recommended. The Gale products are bundled in a large, single suite of products and cannot be cut individually in terms of this renewal.

Options

The following options are the result of discussions with the Director of Statewide Library Resources and the State Librarian. The Council is free to discuss other options in determining what its recommendations to the State Librarian will be.

1. The State Librarian has determined that \$10,641 in LSTA monies can be re-allocated to assist in covering the gap, in addition to what Gale has offered. This amount represents the percentage of the originally identified \$49,265 gap (without factoring in Career Library) that the EBSCO Auto Repair and Beyond the Core databases covered. If this option is recommended, a gap of \$21,333 would remain.
2. With or without assistance from LSTA, a reduction in databases needs to be made, either in the amount of \$21,333 or \$31,974. The Council suggested at the March meeting that the EBSCO databases should be considered in this priority, from most important to keep to least: Automotive Repair, CINAHL Full Text, Small Engine Repair, Environment Complete. Career Library was not discussed because the State Library was not aware at the time that this database was considered integral to the entire package.
3. A new RFP could be undertaken, for an entire new suite of statewide databases. Procurement has confirmed that, if an RFP was issued very soon, this month, the new products could be purchased and in place by the end of August. The RFP timeline would be tight and would require the Council to plan on a 1-2 day meeting dedicated to the evaluation of RFP responses and presentations by the vendors. The content and overall approach of a new RFP may be significantly different than past RFPs for statewide databases, given the growing desire on the part of MSL and the NAC to have greater flexibility and choices in what is purchased. Accomplishing this in a short time frame will be challenging, but it is possible. The RFP timeline would need to begin immediately following the NAC meeting. The timeline would include the following estimated date ranges:

May 20-21: Draft RFP goes to MSL Network Advisory Council (NAC) for review

May 24-25: Edits back to MSL from NAC

May 25: Final RFP Draft to Procurement

June 25-June 4: Procurement edits back and MSL sends draft back to NAC for final review

June 4-11: Final comments from NAC on RFP (could shorten to 2-3 days)

June 14: Final RFP to Procurement

June 15/16: RFP is issued by Procurement

July 7-9: RFP responses are due

July 12-23: NAC reviews/scores responses (could shorten to one week)

July 27: NAC Meeting, Evaluation and scoring of the RFP responses is the first agenda item for that meeting.

July 28-30: Final negotiations if needed and selection of vendor(s)

August 2-6: Contract: final version/signatures

August 9-20: Vendor Implementation

August 23-27: Go live week

