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# "Request for Proposal" or "Run for Protection?" Some Thoughts on RFPs from a Librarian and a Bookseller

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"REQUEST FOR PROPOSAL" OR "RUN FOR  
PROTECTION?" SOME THOUGHTS ON RFPS FROM  
A LIBRARIAN AND A BOOKSELLER

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INTRODUCTION

Whether mandated primarily by state laws or university purchasing guidelines, academic libraries increasingly are using formal bids as a means to acquire goods and services.

Typically, these bids take the form of either an RFP (Request for Proposal) or RFB (Request for Bid). Given that acquisitions departments traditionally have selected vendors through less formal means emphasizing face-to-face contact between library administrators and staff and vendor sales representatives, what does the emergence of the RFP mean to the acquisitions process? What are its advantages and pitfalls? Should it be seen by librarians and vendors as an opportunity, a threat, or something of both? The purpose of this article is to address these questions from the vantage points of both the buyer (the library) and the seller (the vendor).

### A LITTLE HISTORY

RFPs have become relatively standard in higher education, but only in the past ten to fifteen years. Taxpayer demands for fair, unbiased, and justified purchasing decisions have generated some of the RFP business, as have regulations that prevent discrimination against minority- or female-owned businesses. In the library world, RFPs have been used extensively to purchase integrated library systems [1], as well as to select service providers for special projects such as moving collections, acquiring bibliographic services, or purchasing goods such as new furnishings, computer equipment, or supplies. Only recently has the RFP invaded the library materials acquisitions arena, where it is still a more common phenomenon among state-supported institutions than it is among private schools.

As the use of RFPs proliferates in materials acquisitions, new demands will be made on all parties affected by their use. This article will focus on the use of RFPs as opposed to more traditional (and less formal) library/vendor sales interactions. The primary difference is the rigor involved in formulating the RFP (for the library), responding to it (for the vendor), and evaluation (the library again). In the less formal, interactive sales experience, representatives from the vendor visit the library, assess its needs and relate them to their company's catalog of services, and then try to match those with a price that is acceptable to both parties. In an RFP, the document usually specifies a number of value-added services and features that the library would like to see included in the offer. An RFP can express the library's ideal needs, while in the more traditional sales model, both sides tend to respond to what the library doing NOW and how can it be done better.

### PREPARING FOR THE PROCESS

The effects of an RFP can be felt by libraries and vendors long before the final purchasing decision is made. The mechanism of the RFP itself can involve individuals and departments — both at the library and at the vendor organization — that are not typically part of the purchasing process. As the RFP often describes an ideal, many individuals may be consulted (such as systems, cataloging, or administrative personnel) who have not previously participated in acquisitions decision-making. At the vendor end, requests for new services, reports, interfaces, etc., may make it imperative for representatives to coordinate with management about new initiatives, or with systems support staff about interfaces at their end. Since an RFP is fixed on paper, a well-planned

one can represent tangible benefits to all parties concerned. Conversely, poorly executed RFPs can have regrettable results that may be difficult to remedy for years to come.

In formulating an RFP, the library has to decide who should, or must, contribute to it. Ideally, this will include input from those who will be end users of the product or service being purchased, as well as purchasing and/or administrative representatives who may have a vested interest in overseeing the process. At the very beginning, the library must determine how an award will ultimately be made from the RFP, and by whom. (Will the acquisitions librarian make the decision? The Director? Associate Director? Or will the decision happen in the Purchasing Department?) This will influence who should have input into the substantive elements of the document. It will also define whether the acquisitions department will have to cede its traditional role as the selector of library vendors to other persons or departments within the organization.

### SOME PITFALLS

Libraries can experience difficulties, even at this early stage in the RFP process. First of all, persons required to have input into the RFP may have little experience in creating such a document; this is far different from preparing for a salesperson's visit. Time constraints may make the task even more difficult. For some librarians, there is a fear that the RFP formulation process which will almost assuredly be a committee affair will expose the limitations of their technical knowledge to colleagues. Where so much is at stake for the organization, key individuals may feel personally threatened or challenged.

For acquisitions librarians, the use of RFPs signals not only a change in the professional relationship they have with vendors, but also a change in the way they represent the interests of the library. In traditional vendor and library relationships, the acquisitions librarian is vested with the responsibility to oversee selection and long-term interactions with suppliers. In the RFP process, those responsibilities are distributed among others, including people outside the acquisitions department of the library, and sometimes, outside the library itself. The role of acquisitions librarians, and the dynamics of overseeing acquisitions decisions changes dramatically with the RFP process.

An acquisitions department head who has spent years making her decisions in relative autonomy may suddenly find that she is working closely on her RFP with the head of systems, the data-base maintenance librarian, and the person who oversees binding, for instance. This is not to imply that vendor selection by committee is less desirable than that done by an individual, but it does represent a departure from the way many libraries have performed the vendor selection process. Presumably, the acquisitions librarian is the person in the library most vested with vendor-related knowledge. Yet the RFP process may remove the acquisitions librarian from her valued central role in vendor selection. By the time the RFP process completes its course, library/university personnel with little or no past contact may be exercising significant

input into selecting the library's next vendor.

For the competitive aspects of the RFP to be beyond reproach, (and possible future legal action), the library will almost assuredly want to distribute the proposal to firms outside those with whom they currently do business. In some cases institutional or state policy may mandate that there be at least five organizations invited to submit proposals for business of a certain magnitude. This raises the possibility of awarding an RFP to a firm with whom the library has only limited experience. Inviting bids from new or "unknown" vendors is not necessarily a bad thing, but it can be disruptive for acquisitions personnel who may be perfectly satisfied with the library's current service providers. For some, this may be seen as "fixing what ain't broken" and there can be some corresponding difficulties in making the transition once the award has been made. This also places all parties in the awkward position of having to build relationships between library staff and vendor sales and service personnel after the vendor has been awarded the contract, which is the reverse of what most libraries and vendors experience traditionally.

For the vendor, the process can be just as unsettling. While most companies are used to dictating the flow of the sales process, RFPs shift that role to the library. In a traditional sales model, representatives call on libraries at a schedule they determine, possibly with guidance from management. They may target certain geographical areas, a particular size or type of library, or those with a particular set of needs--based on the vendor's perception of its own strengths and weaknesses. Many library service companies plan their annual budgets based on their estimates of new business, lost business, new demands from the market place, and new functions in integrated systems development. The RFP can change that significantly. A company that might not have expected to focus on a particular library's piece of business may be asked to prepare a proposal for that business, along with a host of value-added services and features. Through the RFP document, the library is defining what sales information will be focused upon, and how that information will be evaluated. Most vendors feel vulnerable at not being able to oversee the flow of information to its customers. From the vendor's perspective, RFPs can be as notable for what they do not ask as for what they do. It is important for those writing the RFP to bear in mind that, unless the RFP allows for some free-form responses, there will be answers only to the questions posed. A simple question like, "What are your company's best qualities?" may yield useful information that might not otherwise be conveyed for the library's consideration.

In those cases where no on-site visit from vendor representatives is solicited during the RFP process (some libraries build in vendor visits of finalists, others do not), the vendor may find that those individuals most highly trained to manage customer contact, their sales representatives, are excluded from the process. In the bookselling business, for instance, it is rare that a firm will have a sales representative serve as the primary correspondent on an RFP. Often, key managers and technical personnel within the vendor's organization will be responsible for the RFP response. (This may vary with other service providers, such as serials

agents.)

For companies providing services to libraries, the flow of sales-related information may typically be in the form of face-to-face conversations conducted over long periods of time. Since service companies thrive on maintaining relationships with their customers, on-site sales calls are vital to the marketing process. The RFP changes all that, with the stand-alone document substituting for the more interactive sales process that most vendors prefer. Since so much of the sale for service organizations involves keeping customers happy over a long period of time, RFPs are viewed by some firms as placing too much emphasis on service capabilities at a given moment, and not enough on the evolution of the long-term service relationship. While vendors view RFPs as great opportunities to expand their business, most would tell you that they would rather do without them for all the reasons stated above.

### SOME OPPORTUNITIES

For the library, a number of good things can result from RFPs, depending on how they are written, awarded, and administered. First, the RFP allows the library to evaluate competing firms against identical criteria. Instead of suffering the vagaries of presentations by different companies' sales representatives, the RFP provides an opportunity to see how a number of firms respond to identical questions. Similarly, from the parent institution's and the taxpayer's perspectives, this is in many cases a preferable model. Using an RFP implies such a high level of objectivity that it prevents anyone from perceiving the use of questionable purchasing practices. RFPs offer protection to libraries and their employees. Since RFPs dictate, and in most cases limit, the amount of communication that takes place between participating organizations, vendors will be more likely to offer their best terms up front in an RFP than in normal person-to-person selling. Even this can be a two-edged sword, though, if it distracts the library in its evaluation away from the more qualitative elements of RFP responses.

For those libraries in a position to invest the time necessary to formulate an effective RFP, that process will communicate to all interested parties their needs and priorities. By its very nature, the process of putting together an RFP forces the library to define its needs more specifically than in traditional modes of interaction with vendors. In non-RFP interactions with vendors, the potential is there for library needs to be defined according to what the vendor wants to sell, rather than what really answers the library's needs. While this may increase library awareness of the vendor's recently developed service/product features, it may also leave the library vulnerable to making purchasing decisions without having its central needs fully met.

Even if an RFP does not result in an award (which vendors will find disagreeable), the information gathered from such a document can be highly educational. Regardless of the number of vendor visits a library experiences, it is nearly impossible to stay on top of all the developments and improvements taking place in the competitive

arena of library supply. The RFP, if composed properly, should reveal a wealth of information that will help to upgrade the awareness of personnel throughout the library organization.

RFPs tend to hold up well under scrutiny. Due to technological developments, increased vendor competition, and the usual demands of the budget, library acquisitions can be complex and fraught with opportunities to make questionable (some might argue unethical) purchasing decisions. The RFP process, by its nature a product of the entire library/university organization, is less open to second-guessing. If all interested/affected parties are allowed input into the formulation of the RFP document, as well as the evaluation of the responses leading to an award, it is hard for anyone to come back later and point a finger at the acquisitions librarian and claim incompetence. This is not to say that RFPs produce perfect results. If the document is weak and the award is made on the basis of criteria that fail to reflect the library's complete needs (i.e., price alone), the RFP can facilitate the purchase of unsatisfactory products or services. (Anyone who works in a library with a leaky roof knows this all too well!)

Despite all the work, and the feelings of vulnerability that RFPs bring to vendors, they represent positive opportunities for them as well. There is hardly a library supplier in business today who has not, at one time or another, gained business through an RFP award that would not otherwise have come its way. Conversely, it would be hard to find a library services vendor who has not lost an apparently satisfied customer to another firm through the RFP process. The RFP giveth and the RFP taketh away. One of the key benefits for vendors is that RFPs force libraries to evaluate all competing firms on the same terms. While this does not always represent satisfaction among companies that the right questions are being asked, RFPs can reduce the amount of favoritism that exists in some library/supplier relationships.

## THE RFP DOCUMENT

Given the risks and the potential benefits, what sets apart a good RFP document? Since so much is riding on the successful completion of an RFP, both for the library and its vendors, it is important to give the document itself a lot of thought. It should cogently represent the library's needs to outside parties who have a vested interest in the process. It needs to be clear, concise, and understandable. The library must be able to come up with valid, evaluative criteria from which an RFP award can be made, and the criteria should be ranked, or weighted. Criteria might include availability and accessibility of service personnel, links with integrated library systems/bibliographic utilities, reports, quantity and quality, references from other (peer) libraries, and of course, price. Without qualitative measures, there is a real risk that the award will be made strictly on quantitative criteria, usually price. While getting a product or service at a great price is important, it should not overshadow the effects of making a purchase that does not fully meet the library's needs because the RFP did not define those needs clearly enough.

RFP authors should be wary of using another library's RFP document to prepare their own. The point of this process is to consider the needs of the particular library and institution that will generate the request. It should not be generic, and indeed, an RFP document that copies too closely that of another may even "stack the deck" in favor of one vendor over another. If the librarians preparing the document choose to use another library's document as a sample, they should analyze it carefully to be sure that it accurately describes their institution's needs.

When weighing the criteria to be used in evaluating responses, it is important for the librarians and staff who author the document to understand that an essential element for one constituency might not be perceived that way by another. For instance, acquisitions staff will value links to the library's integrated system, where other units might not appreciate what that means. Certain reports will be vital to collection development officers, but not to catalogers. There is a significant need to develop consensus within the library about what is most important before the RFP is released to vendors. One analogy that might be useful to librarians who are preparing RFPs is to compare them with the search committee process used for hiring professionals. The position announcement often includes valuable information about the job, the environment, and the place in which the work will occur. Most libraries list required qualifications in their postings: elements that must be included in an applicant's resume for the person to be considered at all. Then most advertisements include a list of desired or preferred qualifications, which serve as a wish-list of attributes. When the search committee reviews applications, this latter group of qualifications can be ranked by importance to the job. For instance, if the library seeks a music cataloger, is it more important for applicants to have cataloging experience or a PhD in music? Ideally, the best applicant will have both, but it might be that the librarian who wins the position will have the cataloging background and simply a bachelor's degree or coursework in music. Background information about the library and the university, and the general basis of the need being addressed by the RFP will be helpful to vendors. Since purchasing rules or laws surrounding the RFP process may forbid open communication with vendors once the RFP is released, you want to both set the scene as well as solicit exact data through the RFP document.

Good RFPs ask evaluative questions that are pertinent to the need being described in the document. If you are asking a vendor to qualify for consideration based on questions that do not apparently relate to the purchase being contemplated, the rationale behind such questions should be offered. If there is no rationale, those questions should be removed from the RFP. An RFP is not a license to window shop, nor should it be; the more questions you ask, the more will need to be evaluated and weighed before an award can be made. (Window shopping is acceptable in situations where the document is a Request for Information, or RFI, which is used to gather data rather than award business to a firm.) Ambiguously phrased questions can lead to misinformation and future disappointments. Why, for instance, have the RFP require information about the vendors' EDI (electronic data interchange) capabilities when the library's integrated library system has none and neither the library nor the ILS vendor has active plan to implement EDI? It is not uncommon for vendors



to answer many such questions in RFPs, only to learn that the answers had no bearing on the contract award or the actual service delivery.

The RFP should have enough open-ended questions to allow the vendor to offer useful interpretations in its answer. An open-ended question is one that requires an explanation as an answer, rather than just a "yes" or "no." RFPs that are too restrictive in the types of questions they ask run the risk of missing additional useful information that the vendor could have offered if given the chance. Without an invitation to go beyond the strict interpretation of questions, the library may grant an RFP award without being aware of important service or product features that might have influenced its decision. For example, an RFP might include the following closed question: "Does your company have interfaces with ILS X?" The open, evaluative way to obtain the desired information might be: "Describe the interfaces your company offers with ILS X." The library wins in the latter case because the request for information allows vendors with extensive interface offerings to showcase those, while it forces vendors with limited interfaces to reveal those limits.

When responding to an RFP, the vendor must assume that each of the library's questions will influence the ultimate award. If the library is not prepared to evaluate solicited information as part of the RFP process, it should not request it. If, for instance, the award will be based only on certain basic levels of service/product capability and low price, there is nothing to be served by asking for all sorts of additional data. While the RFP represents an opportunity for the vendor to acquire some new business, responding to the document requires a significant investment of time and resources. Out of respect for that commitment, the library should not be asking the vendor to prepare information that will make no difference in the final determination of the award.

For the library, the RFP represents a single, important event. For the vendor, it may represent one of many such events taking place simultaneously across its customer base. It will be to the library's benefit to allow each vendor ample time to compose a complete and well-considered response. For all but the most rudimentary RFPs, a vendor should have at least one month from the time it receives an RFP to respond. Six weeks is ideal. Remember, the better the responses, the better the chances that the RFP award will be to all parties' best advantage.

While the central focus of the RFP is the library and its needs, the document should be respectful of the vendor's reality as well. The RFP should not take undue advantage of the vendor's desire to win the award by asking for unreasonable commitments. By insisting, for instance, that the vendor respond with the best discount it has ever offered another library for the supply of a particular service, the library may be ignoring the fact that the level of business it is offering in its RFP is one quarter the size of that vendor's largest customer. The vendor should be allowed to respond to each RFP on its own merits, just as the library should be allowed to evaluate each response in the same way. Making unrealistic demands through the vehicle of the RFP does not enhance the credibility of the process. It is not unheard of, for instance, for an RFP to require evidence of vendor interfaces with

acquisitions systems that the library neither owns nor has any plans to acquire. Such requirements distract from the purpose of the RFP and may make evaluation of an appropriate vendor more difficult. Any requirement the library makes of the vendor in the RFP should be clearly and fully defined. Some RFPs, for instance, have asked vendors to cite their prices for producing customized management reports without defining what the content of those reports will be. Such requirements place the vendor in the difficult position of either committing to something it may not be able to deliver, or to having to refuse compliance because the request was too vague.

What happens after written responses are received on an RFP is of great interest to vendors. When the library is seeking to purchase complex and/or significant amounts of business through the vehicle of the RFP, vendors like to know that they will be given a chance to back up their responses with on-site presentations. While some RFPs allow for such a step in the evaluation, not all do, and that may weaken the overall process. Especially with complex services or products, where a lot of qualitative evaluation is necessary in selecting the best vendor, it may be very difficult to offer all the information the library needs in writing. On-site presentations allow the library to hear in more detail what the vendor has to offer. It also gives key library personnel an opportunity to get a sense of who their counterparts are in the vendor's operation and how they conduct their business. Especially in the acquisition of services, the library will be forming a long-term working relationship with the selected vendor. It only makes sense to allow the top two or three respondents to make presentations to library administrators and staff. Such presentations call for commitments of time from library personnel, and of time and financial resources from the vendor. The information they yield, though, can be of enormous importance in the success of an RFP.

## FINANCIAL INFORMATION

In some instances, libraries are asking vendors to include corporate financial information along with their RFP responses. If the library chooses to take this tack, there are several issues to consider. Will you know what to do with the data when you get it? What are you looking for? Are you trying to assess corporate profit margins, or ability to pay publishers? If the former, you will want to look at audited financial statements. If the latter, you may simply need proof of an adequate line of credit and some business references. In many cases, you can obtain the information you want by calling key publishers and asking them about their experience with each responding vendor. This can save time at the library end by sparing staff the need to analyze often intricate financial data. If the library chooses this route, librarians should be sure to query enough publishers to validate the assessment the first one provides. If you are asking for an annual statement, not all vendors are publicly owned. Therefore, their financial results may not be audited. This is not to say that a vendor would submit a false financial statement, but different accounting methods may have been used to provide the data.

Can you ensure that the financial data will be evaluated equally, and that all such information will be kept strictly confidential? This is the most delicate information a vendor can provide an outsider, and it must be handled with sensitivity. Before deciding to request financial data, librarians might want to explore whether the reassurance they seek is available from business and customer references. If publishers report they receive payments on time, and customers say they receive their orders on a timely basis, librarians can rest fairly certain that the prospective vendor does not have financial problems that will negatively affect their ability to provide service.

## CONCLUSION

Where the library is prepared to accept the appointment of a new vendor for the supply of a crucial service or product, RFPs can be a powerful tool. They require significant amounts of time in preparation and evaluation, though, so they should not be entered into lightly. They also change the nature of the interactions the library will enjoy with its vendors. This is not necessarily bad, but something the acquisitions librarian has to consider before using RFPs as a purchasing device. Whether you consider an RFP to be a panacea or a plague, participating in the RFP process, either as a librarian or a vendor, need not be a painful experience. A high degree of commitment, cooperation among the various members of the library/university community who will be involved in the RFP, and good written communications skills go far in making the use of RFPs a positive experience. To some, it may seem an impossible dream to envision the RFP in a favorable light. However, whether the RFP process is mandated by administrative or governmental decree, or simply seen as a desirable purchasing procedure, the dream may be worth pursuing in order to achieve the best possible outcomes for both libraries and vendors.

## ENDNOTE

1. Recent searches of the Library Lit database in OCLC's FirstSearch, as well as LISA, reveal that the library literature on this topic continues to emphasize the use of RFPs in system selection. Of twenty-six articles cited, only two address the use of RFPs for selecting other goods and services.