

COSTS

Vendors of portal products are still experimenting with pricing. The use of the number of concurrent users appears to be losing favor, though that method was initially popular for establishing pricing.

The trend is toward basing the price for academic libraries on the number of full-time-equivalent (FTE) faculty and students. The size of the collection and circulation activity determine the pricing for public libraries.

Too few special and school libraries have purchased portal products to discern a pattern, but school library pricing will probably be based on enrollment and special library pricing on the size of the user population. Pricing under \$5,000 per library facility is unlikely.

The first-year cost of a library portal product can range from as little as \$5,000 for a small library purchasing portal software only for mounting on an existing server to more than \$100,000 for a large library purchasing a system that includes hardware, software, and third-party database and linking products. These numbers show the annual cost is far more than the usual 12% to 15% of the undiscounted purchase price that automated library system vendors charge. The cost rarely is less than \$3,000 per year, but it can be 10 times that high for large libraries.

User authentication usually is quoted at a flat price of a few thousand dollars.

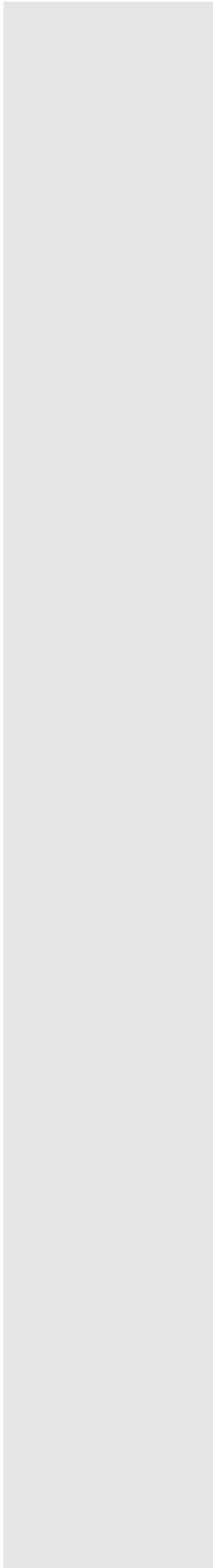
Linking is priced in several ways, but most vendors charge for each link maintained. The cost may be \$1,000 to \$2,500 in the first year and 80% of that per year afterward. Unit price usually drops when links are purchased in quantities greater than five. At least one vendor charges \$2,500 for one link, \$5,000 for two to four, \$7,500 for five to 13, \$12,000 for 14 to 30, and \$15,000 for more than 30. Another vendor charges \$1,000 each for the first five links, \$950 each for the next 10, \$850 each for the next 35, \$750 each for the next 100, and \$650 each for links in excess of 150.

The subscription for content enhancement, if one is wanted, is separately priced and usually is placed directly with the content provider. Its cost depends on the enhancements sought and the size of the library, but a typical cost is 10 cents per registered borrower per year.

When soliciting vendor proposals, request that single-search, authentication, and linking be priced separately, with an indication as to whether the total price is reduced if the features are all purchased at the same time. Content enhancement, if required, also should be quoted separately. Ensure the annual subscription price for content enhancement is identified.

Two competing automated library system vendors offering the same product under license may charge quite different prices. This difference may be because of the terms that may have been negotiated with the licensor but also the amount of markup. Librarians often use the prices offered by the vendor that offers the lower figures with the other vendor or even with the licensor.

Librarians should be careful to determine that the quoted price includes all third-party products mentioned in the response to the specifications. Unfortunately, a proposal sometimes claims functionality and does not include the third-party product that provides that functionality in the



quoted price. A single-line note in a proposal may indicate that the prices of third-party products, including linking products and content enhancement products, should be obtained from those companies.