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## Orbis courier service: The resurrection of a collaborative success

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Last March 250 libraries in Oregon and Washington were facing a crisis. The courier service they relied on for daily delivery of ILL requests for the past 15 years was in danger of collapse and very few libraries had any idea that there was a problem. Since the 14 members of the Orbis consortium were among the few libraries that were aware of the troubled state of the Washington/Oregon Ground Courier Service, Orbis found itself somewhat reluctantly in a position of leadership to preserve this important foundation for regional resource sharing.

## Orbis Courier Service:

The Resurrection of a Collaborative Success

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in the Northwest. At minimum it demonstrates the remarkable willingness of libraries in Oregon and Washington to recognize shared interests that cross political boundaries, to cooperate, and to take a leap of faith when presented with a crisis.

### BACKGROUND

The history of the Washington/Oregon Ground Courier Service or, more commonly, "Pony Express" or just "the Pony" is largely within the memory of a few librarians who had first-hand experience with its creation in the mid-1980s. The earliest version of the courier service began as a demonstration project of the Washington State Library. A contract was awarded for the shipment of library materials between a group of Washington libraries and an ad hoc consortium was created to manage the service. The acronym for this consortium was COWLIC which may have stood for Consortium of Washington Libraries Information Circuit. During this time responsibility for the service was turned over to Crose Consulting, administrator and fiscal agent for the past 15 years. Following Washington's lead, the Oregon statewide cooperative collection development group, appointed by the Oregon State Librarian established service in Oregon. This group no longer exists.

For the past decade and more the Washington/Oregon Ground Courier Service has, on the whole, worked extremely well. Although one can easily find libraries that have never experienced courier service problems and others that have experienced many problems, it is clear that this service has simplified packaging and addressing, provided substantial sav-

ings over other shipping methods, and achieved its ultimate purpose: enhanced resource sharing. Over time it appears that libraries became increasingly distant from the oversight of this service and much of its continued success can be credited to ILL staff at participating libraries, the administrator, Crose Consulting, and service provider, Pony Express. Libraries that use this service were also fortunate that, prior to 1998, no disruptive forces caused either Crose Consulting or Pony Express to alter the essential features of this service.

### CRISIS

The first signs of problems appeared in December 1997 when Michael Crose, owner of Crose Consulting, sent letters to libraries in Oregon, Washington, and Idaho explaining that the price for courier service would immediately increase due to a 25 percent price increase imposed by Pony Express. The reasons cited included increases in labor, fuel, and capital equipment costs as well as an increasing volume of materials shipped. The letter apologized for the short notice and indicated that Crose Consulting would be seeking alternative service providers. The price charged to Orbis consortium members, which may be similar to that experienced by other libraries, amounted to an increase of 11-20 percent.

Although concerned by the size of the price increase and lack of prior notice, many libraries were also troubled by the growing realization that courier service was evidently subject to a month-by-month rate determined by Pony Express. Although many libraries accepted the announced higher prices, they also began to think about the future of courier service and to examine its contractual basis. Some libraries discovered that they could not locate their contract for courier service while others discovered that their contract provided only a relatively weak description of service expectations with no price guarantee. The courier service contract had remained in place, unexamined, for many years.

In March 1998 Crose Consulting called a meeting of about a dozen libraries from Oregon and Washington to discuss the future of courier service. During this meeting participants learned that Pony Express continued to be discontent with revenue generated by the Washington/Oregon Ground Courier Service and that rates would need to rise once again. The phase-in of a tiered weight-based rate structure was announced, with the first wave of 10 libraries moving to the new rate system on April 1, 1998. These libraries would experience huge price increases that ranged from 166-440 percent with only 10 days notice.

Surprising as the announced price increases were, perhaps still more disturbing was the revelation that Crose Consulting had no choice but to pass on increases from Pony Express and could not absorb such a price increase for even one month. In short, it was made clear to participants at this meeting that Crose Consulting would go out of business

if libraries were unwilling or unable to pay more immediately and, in any case, might not be willing to continue serving as administrator and fiscal agent. It seemed clear that despite the best efforts of Crose Consulting to secure a reasonable long-term contract with Pony Express, the Washington/Oregon Ground Courier Service was in danger of collapse.

Orbis had representatives at the March meeting with Crose Consulting and news of the announced pricing system spread quickly within the consortium. Although clearly disturbed by the imposition of a second large price increase delivered on short notice, member libraries were also concerned about the long-term viability of courier service. Among the topics discussed was the question of who determines an appropriate model for sharing vendor costs. Oregon has a long tradition of distributing courier costs according to a flat rate. This tradition is based on a philosophy that flat rates encourage resource sharing. Many libraries were disturbed by the notion that a new formula, whether well considered or not, was being imposed on the library community. Libraries that participate in any of the region's consortia are very familiar with the process of negotiating price with a vendor then separately determining how to divide costs among members. Many thought that this was the way courier service should work as well.

#### **WHAT CAN BE DONE?**

The main focus of discussion within Orbis centered on how to inform other libraries in the region and how to work together to stabilize courier service. There was also a growing sense of powerlessness in the face of a crisis. There was no courier web site, no courier email list, and no users group to rely on. It seemed clear that collective discussion was called for but libraries using this service lacked the means of communicating and acting collectively.

Given the potential collapse of courier service, Orbis member libraries felt that some collective discussion had to happen very quickly. The initial hope was that some other regional entity might already be organizing a response. Unfortunately, a few calls and email messages to consortia in the region, Crose Consulting, and the state libraries in Oregon and Washington confirmed that not only was no response being organized but that very few libraries knew about the problem. It became clear that, although Orbis was not an obvious group to coordinate the discussion of a service that vastly exceeded its membership, there were no other venues available. Several leaders within the library community encouraged Orbis to facilitate communication on this issue and promised enthusiastic participation.

Orbis sent a questionnaire to existing courier drop-sites and used various regional email lists to call a Library Courier Service Stakeholder Meeting. The purpose of the questionnaire was to determine service expectations and to elicit ideas concerning the future of courier service. While preparing for

the stakeholders meeting, collecting questionnaire responses, and discussing the situation with colleagues in other library consortia, it became clear that Orbis needed to consider ways to preserve and improve courier service between its member libraries. Orbis decided that a Request for Proposals (RFP) seeking courier service for Orbis member libraries would need to be prepared. At the same time, Orbis member libraries recognized that the strength of courier service is dependent on its widespread use. In the interest of preserving, perhaps even improving that strength, Orbis decided to offer to broaden the scope of its RFP process to include a wider group of libraries if that was of interest to the library community.

#### **THE STAKEHOLDERS MEET**

Interest in the Library Courier Service Stakeholder Meeting was very encouraging. About 50 people representing more than thirty dropsites or consortia attended this meeting on April 21 at the Multnomah County Library. At this meeting participants briefly reviewed the recent history of courier service in the region and a clear consensus for quick action emerged. Representatives of Orbis presented questionnaire results and offered to expand its RFP process. There was agreement that an expanded Orbis RFP was probably a good concept to explore and the group considered the specifics of how a courier service hosted by Orbis might be structured.

First, the group discussed and endorsed goals in restructuring the service such as price predictability, appropriate balance of cost and performance, administrative structure that minimizes overhead (staffing, materials, etc.), full disclosure of vendor costs and administrator overhead, maximized participation, improved mechanisms for communicating service problems, and oversight by participating libraries.

Stakeholders next turned to the appropriate approach to achieve the goals and agreed to the concept of having contract administration and fiscal agent duties (RFP, negotiation, billing, etc.) performed by a particular library and/or existing consortium on behalf of all dropsites in the region. The group also endorsed the concept of having oversight of the service accomplished by a users group made up of participating dropsites.

During this meeting participants discussed Orbis' offer to serve as contract administrator and, through the University of Oregon, as fiscal agent for a regional courier service. Orbis was willing to take on such responsibilities in recognition of the critical role courier service plays in library resource sharing in the region, and it could serve as contract administrator as long as the service and other aspects of the contract were consistent with Orbis' objectives. Orbis could fill the critical roles of contract administrator and fiscal agent as well as provide organizational support for user oversight. Orbis agreed to establish a Web site and email list to aid in commu-

nication and to share critical documents related to the RFP process.

Although some stakeholders were understandably concerned about the advisability of relying on a consortium of 14 libraries to administer a service for potentially more than 50 dropsites and 250 libraries, there was a consensus that this looked like the best course of action. Orbis representatives left the Library Courier Service Stakeholder Meeting with an endorsement of their draft plan and an unambiguous mandate to create an RFP that would provide a service open to all libraries in the region.

#### **ORBIS COURIER SERVICE**

After the stakeholder meeting, a group of Orbis and University of Oregon staff assembled to create a courier service RFP. The group was enthused by the support demonstrated by libraries but daunted by the prospect of assembling an RFP, going out to bid, evaluating proposals, negotiating a contract, and potentially creating the details of a new service to begin in July 1998.

In creating the RFP, there was a significant effort to understand the current service and to learn about the shipping industry. The RFP would create a courier service much like the existing one. There was not time for the necessary consultation that would be required to institute major changes. In assembling the RFP the group relied heavily on the knowledge of ILL staff, Orbis staff, advice from the UO Business Office and the experiences of a wide variety of consortia across the U.S. They gathered sample RFPs and struggled with the best way to express service expectations and to evaluate responses.

The Orbis courier RFP was advertised in Seattle, Portland, and San Francisco and mailed to more than 30 prospective bidders. In the end, Orbis received only one bid—a proposal from Crose Consulting. Crose Consulting proposed to use Pony Express and agreed to the contract terms set forth in the RFP that included clear service expectations and a fixed price for a year with annual options to renew for a total of five years.

Next, Orbis sought ideas from the library community on how to distribute costs. Libraries would not be able to join the Orbis contract without knowing the price. Price distribution was perhaps the single most controversial subject. Orbis received many well-considered but contradictory ideas about what might constitute a fair formula: e.g., “high-volume users should pay more” and “net lenders (who are often high-volume users) should not be penalized for lending.” There was general agreement that libraries did not want continually to weigh and count items in shipments nor were they in favor of periodic sampling to estimate volume.

Several pricing models were shared with libraries via the courier email list. The first model was based on a flat fee, the second was based on a division of

libraries into two price tiers, and the third offered a weighted distribution. The latter was an attempt to incorporate a number of potentially important factors by taking into consideration type and size of library, type of service (ILL vs. patron-initiated borrowing systems), and number of libraries served by a single dropsite. After lively discussion, on and off the list, it was decided that each dropsite would pay a flat fee.

On July 17, 1998 the Orbis Courier Service was announced as a membership organization with annual billing based on an equal division of vendor costs plus a small Orbis administrative fee. The service would be maintained without disruption and dropsites could individually choose to join the Orbis Courier Service or, as before, contract directly with Crose Consulting. In a short time Orbis enrolled 32 of the 57 dropsites serving 164 of a total 250 libraries. Each dropsite will pay a little over \$300 per month, a favorable outcome when compared to previously announced increases ranging as high as \$700 to \$1,000.

#### **NEXT STEPS**

Several tasks remain, including establishing the process of user oversight and planning for the future. These issues and others remain to be discussed by the library community.

Orbis invites such discussion and encourages input on all levels. Significant founding documents as well as those documents that describe the Orbis Courier Service are available at <http://libweb.uoregon.edu/orbis/courier/> and there is an Orbis Courier Service email list available at <[courier@lists.uoregon.edu](mailto:courier@lists.uoregon.edu)>. All libraries served by the Pony Express courier service, whether contracting with Crose Consulting or Orbis, are eligible to participate on this list. Subscription requests and other questions or comments can be sent to [orbis@oregon.uoregon.edu](mailto:orbis@oregon.uoregon.edu).

#### **FINAL THOUGHTS**

Library courier service has a long and complex history in the Northwest. Various organizations including the state libraries of Washington and Oregon, Crose Consulting, Pony Express, and Orbis have all worked to provide an efficiently managed low cost service that encourages resource sharing in the region. The new Orbis Courier Service, with its goal of user oversight, represents, in many respects, a return to the original intentions of COWLIC. The evolution of this service demonstrates the hazards that libraries invite when they abdicate oversight responsibility for collective activities.

What will the future hold? Libraries in the Northwest will probably continue to look for appropriate hosts or venues for collaborative projects. While many other states and regions discuss how to further aggregate their influence into “mega-consortia,” the Northwest continues to be a large but sparsely populated area that lacks a collective structure to

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## Statewide Database Licensing (*continued from page 1*)

on the list. If all those libraries on the list could get a good deal, their participation was more certain, and the package was less likely to unravel. The chosen vendor liked this approach, too. The user population was defined, and the potential load on their system could be easily estimated. Vendors are often willing to negotiate a better deal for a statewide purchase since their market share is increased and they can stake out a territory which will likely produce substantial income year after year. The more libraries that participate, the harder it will be to change to another information provider in the future.

Once the price was agreed upon, the SDLG needed to find a way to guarantee that most of the libraries on the list would agree to participate and share in the costs. An LSTA grant did the trick. Each library on the list received a small but important subsidy. The cost to each participant was reduced by 20% in the first year and 10% in the second year of a three-year price agreement. Almost everyone on the SDLG's list agreed to the contract. The cost distribution formula was based on FTE (for academic libraries) and population served (for public libraries). In the second year, more libraries were added to the contract based on the same cost share formula used for the original participants.

The second venture for the SDLG was to secure statewide access to the *Oregonian*. Once all the legal documents had been signed, the vendor issued a favorable quote for all public and academic libraries in Oregon. In this case, the product was limited to one core title, which helped to keep the quote affordable. The vendor also may have been motivated by the foot-in-the-door incentive, i.e., a chance to showcase their interface and search capabilities, and in the future, compete for a more substantial piece of the statewide market.

The past efforts to secure statewide database licenses in Oregon are distinguished in several ways. First, there has been no central money beyond the LSTA grants which have been used to jump-start the

process. The lack of central funding complicates the selection and negotiation process considerably. Second, there has been no special funding to create a centralized purchasing process. For example, many states have created one or more positions to handle the licensing and billing paperwork. In Oregon, the Orbis Library Consortium (several academic libraries in Oregon and Washington) has stepped in to handle the administrative aspects of statewide licensing, but it is not clear if this arrangement can be long-term or extend to many other databases. And third, the K-12 sector has been excluded from the process. To date, many vendors have been unwilling to include K-12 libraries in the same contract. Although inclusion of K-12 is less common, a few other states have been able to reach agreements to provide school library access. Again, central funding seems to create the ability to negotiate statewide contracts more effectively.

Is Oregon an example of how not to do things? Absolutely not. The library community in this state represents a high degree of resourcefulness and creativity. It has been able to overcome many of the funding challenges and survive harsh political and economic climates. It has succeeded through grassroots and volunteer efforts. Progress to this point should be celebrated. Many libraries have saved thousands of dollars, and many library users have better access to core electronic resources. Continued progress in the area of statewide database licensing, however, will likely be limited without statewide funding. Those limits will apply to the number of databases which can be licensed and administered, and the number of libraries which can participate. The possibilities of statewide funding are never easy to estimate, but the Oregon library community can at least demonstrate a successful track record and provide ample evidence of cost savings. **Q**

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## Orbis Courier Service (*continued from page 1*)

take on broad-based consortial projects. Perhaps the Northwest will forge a new model in which a variety of smaller specialized consortia will take on regional projects or create ad hoc consortia on a cost recovery or free basis. Given Orbis' experience with the overhead that accompanies even a modest project like courier service, however, it is unlikely that small consortia will routinely serve libraries beyond their immediate membership.

Without the incentives of central state funding that encourages geopolitical collectives, we are likely to

see a dizzying array of collaborative projects in the future. Despite the inherent obstacles to broad-based regional collaboration, it is perhaps comforting to know that when the cause is clear libraries in Oregon and Washington can recognize shared interests that cross political boundaries and take a leap of faith to further the common aim of resource sharing. **Q**