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What is public library management outsourcing?

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Title: What is Public Library Management Outsourcing?**What Is It?**

Library management outsourcing actually encompasses two different approaches to library management, one of which will be the focus here. The first, and not the focus here, represents an occasion where the governing body of the library contracts with a vendor to temporarily manage the library. In this case the vendor may be brought in as a temporary solution to a lack of current management or to refresh the library and bring in new ideas. The library personnel are all still public employees, but they are overseen by a private contractor who operates as the director or manager. Few municipalities have taken this approach and there are currently no libraries known to operate under this model.

The second approach, and the main focus for discussion here, is an occasion where the decision has been made to outsource not just the library's director but also the entire library staff. The decision to outsource has been based on a few initiating factors. Some municipalities have never managed their own library system. An example would be a city that has always contracted library service out to the county. At some point the city decides to explore other means of managing the library and finds that it would like to continue outsourcing, only now with a private vendor. In other communities, disagreements between two governmental bodies that govern the library have led to outsourcing. In one community, a member of city council was a supporter of outsourcing, in general, and his interest was the initiating force that led the municipality to consider outsourcing. In many communities where this has taken place

substantial budget shortfalls made outsourcing seem appealing as it was seen as a potential money saving move.

Management contracts are generally 3-5 year and are renewable. The contractor is then responsible for the staffing and the daily operations of the library. The library still has a board of trustees and the library is still considered to be a public library in that state. Library materials, equipment, and buildings are still owned by the municipality and all materials acquired while the contract is in place are also owned by the municipality.

The main difference in operation between outsourced public libraries and publicly managed public libraries concerns staffing. Once a contract is in place, current library staff are transferred or let go, but are encouraged to apply for a position with the contractor. The final contracts in public library management outsourcing normally stipulate that current library staff will be interviewed for appointments with the contractor. When the library reopens under contracted management the library's director and staff are all employees of the contractor and not the municipality. Often a new director is brought in, one who is already employed by the contractor, but the staff usually consists of a mix of previous library employees and new. The contracted staff are then in charge of selecting, ordering, processing, weeding, programming, and policy creation under the guidance of the library's board.

The first municipality to employ this form of management for its public library system was Riverside County, California in 1997. Riverside County had previously contracted its library system's management to the City of Riverside.¹ Due to its unfamiliarity with running its own library system, its familiarity with contracting those services out, and a budget crisis, Riverside County contracted with a private firm to manage all of its library operations.² While there was

much interest and criticism at the time, some wrote the situation off as a unique solution to a unique problem or as a refreshing new approach.³

Outsourced library management has by no means become a widespread phenomenon, but the solution utilized by Riverside County was not unique as other municipalities adopted this form of management. In the thirteen years since Riverside County changed its management seventeen municipalities have switched to private management. Fifteen systems are currently operating under outsourcing contracts. The libraries are not size or geographically bound. These fifteen library systems are in California, Texas, Kansas, Tennessee, and Oregon and the libraries range in size from one building operations to a 33 branch library system.⁴ (See appendix for a list of all the library systems under contract.) At least fifteen other municipalities had considered outsourcing their libraries' management but chose to remain publicly managed. (See appendix for a list of the library systems known to have considered outsourced management.) There are two municipalities known that are currently considering outsourcing.

How Does This Come About?

The decision to explore outsourcing the public library is usually made with input from the community and the library staff, but in other cases the entity responsible for governing the library, be it the city, county, library board, etc., decides on its own to explore the issue without input from other stakeholders who might be interested in the process.⁵

The contracting process begins with the creation of a request for proposals (RFP) written by the municipality that outlines the expected services that a contractor would provide as well as assessment criteria for a possible contract. RFPs generally include background information about

the community and the library, the type of library services expected to be offered by the entity that wins the contract, as well as sections describing specific contract provisions.

The RFP outlines the responsibilities of the contractor that successfully bids for the service and lists some assessment criteria for the contract. Responsibilities listed in previous RFPs include such things as conducting library programs, processing materials in a timely manner, re-shelving materials promptly, hiring qualified personnel, establishing short and long-term goals, and making sure the library qualifies for membership with the state library.⁶ The RFP communicates what the municipalities believe are the most important features of the library; those features that make their libraries – libraries. The focus areas chosen to represent the library are part of the criteria that will be used to assess the contractor’s performance in the final contract.

The second step in the contracting process is the proposals submitted in response to the RFPs from bidding vendors. The proposals elaborate on how the contractor would provide service within the parameters of the RFP. In an ideal situation there are multiple contractors who compete to win a contract allowing municipalities to have greater leverage in the contracting process and empowering them to get the best deal. In a monopoly there is only one provider who has a large amount of power over what, how, and to whom service is provided. When looking at public libraries, there are numerous examples of vendors that provide library services for most of the various operations of the library. There are multiple vendors who provide books, databases, marketing, reference services, cataloguing, and processing just to name a few. There are a large number of companies that offer their services to libraries to cover many aspects of library operations, but when the focus is on public library management there is only one company in the

United States that is currently providing this service, Library Systems and Services, LLC (<http://www.lssi.com>). In most communities there is only one proposal submitted in response to the RFP, but in at least three cases there have been two proposals. In some municipalities the library staff or the library staff's union have been asked to submit a counter proposal. As will be shown below, the library staff are public employees and not outside entities so they do not operate in the capacity of direct competition to LSSI for a contract.

The group that evaluates the proposals vary. In some communities the evaluation and final decision is made by the library's board of trustees or the city council. In other communities the municipality brought together a group of community members, library staff, and municipality representatives to evaluate proposals. Proposals are also released to the public for comment. There has been at least two occasions where the contractor did not want its proposal to be open for public comment because they claimed the proposal contained proprietary information.⁷ After public outcry from the community the contractor allowed the proposal to be released to the public.⁸ The proposals are evaluated and the final decision about whether or not to contract can be influenced by the proposals themselves as well as public opinion. In some cases the perceived benefits of contracting resulted in the outsourcing of the public library while in others there seemed little benefit to outsourcing as no money would be saved. Negative public perception of outsourcing seems to be a factor in keeping the library publicly managed even with proposed substantial savings that may come from a contract.⁹

Contracts, once in place, are overseen by some representative of the municipality. Few contracts name a specific position (like the City Manager or the County Librarian) and instead state that the contract will be overseen by a representative of the municipality. Riverside County is the

only municipality that has chosen to appoint a librarian to oversee the library management contract.¹¹ Riverside County created the position of County Librarian that is the sole librarian position in the county to oversee the library outsourcing contract. It is likely that the sheer size of Riverside County's library system provided the impetus for the creation of this position.

As mentioned above, library staff sometimes chooses to submit a counter proposal to the contractor's bid. In one community, the library staff bid on the job in competition with the private vendor and won, but this does not mean that the library staff then become contractors. The proposal as set forth by the library staff becomes a working document for future service levels and funding, but the staff remain public employees and there is no contract in place. When the private contractor wins the contract, they bid to provide service at a certain level for a certain price, and what is not spent through library services is overhead and profit for the company.

Library Staff

Public library employees have participated in the outsourcing process in various ways. In some cases the library management and staff have actively and willingly assisted in the contracting process that they most likely viewed as a way to have access to a greater number of resources than they had previously. In other communities the library staff participated in the process by helping the municipality to create the RFP even if the staff's general sentiment was against outsourcing. In at least two communities, the library management and staff had no knowledge of the RFP or the possibility that the municipality might outsource the library until the RFP was made public by the municipality. In other communities the library staff has had a contradictory

role in the contracting process. The library staff was asked to help create the RFP and then were encouraged to submit their own proposal to compete with the proposal from the private vendor.

The library staff's role in helping to create the RFP and then submitting their own proposal would seem to put them in an advantageous position in the contracting process, but the truth is more complex. The library staff have advantages in that they are well versed in the content and meaning behind each section of the RFP and they are able to create a proposal that is much more specific about the services and operations of that particular library as they are the group that knows it best. But the format of the RFP may work against the library staff because of its focus on a private market solution to the issues related in the RFP. One library director noted that he and his staff were encouraged to submit a proposal, but they were, "troubled by the format of the RFP which seems tailored for private companies only."¹² The library staff is not generally a legal entity so it cannot actually enter into a contract. Additional areas of the RFPs relate specifically to a private company's response and are irrelevant to a group like the library staff who, if chosen, would not be contracted employees.

Also going against the probability of the library staff's success in winning the contract is that the library staff does not have the same level of experience dealing with the contracting process that the contractor has. The library may have some experience on one side of contracting, that of creating an RFP and contract, but are not likely to have written a proposal before. The contractor, on the other hand, has a long experience of writing detailed, effective proposals, specifically for the purpose of getting library management contracts that have been successful in garnering contracts.

The focus above has been directly related to library staff submitting a proposal, but it needs to be noted that they are not the only entity besides the private contractor to submit a bid. In Medford, Oregon the union that represented the public librarians submitted a proposal and in Nevada County, California the Friends of the Library submitted a proposal to run their respective libraries. In Oregon, the municipality chose in favour of the private contractor, but no final decision has been made in California.

Recommendations

The following are three strategies for public libraries that each cover a different aspect or opinion on library management outsourcing. These strategies can most easily be labelled as 1) a strategy for library staff that wish to participate in an outsourcing contract, 2) a strategy for library staff that would like to submit a proposal in response to an RFP for library management contracting, and 3) a strategy for library staff that wish to resist a potential outsourcing of library management and staff. In all cases information is the best tool for understanding the situation. The three strategies are directly below while a list of resources is provided in the appendix.

If you want to participate in outsourcing the library –

If you want to participate in the outsourcing contract process, the best strategy is to work closely with the municipality to help create the RFP. Make sure the RFP is detailed as to what services and level of service are expected from a contractor. Develop clear, distinct, and measurable contract assessment criteria. It is not enough to just say that the contractor should provide reference service. Should reference be provided at certain times or during all hours the library is open? Who should provide reference service? Make sure that the final contract describes in detail the kinds of services are wanted for the library.

Work with the municipality to ensure that the contract covers everything you think it does. In one community an additional contract, with additional costs, was necessary for the contractor to clean up records in the catalogue.¹³ Another community considering outsourcing found that the contractor did not think the contracted library budget should have to pay to incorporate RFID technology in the library. Instead, the contractor expected, “the City would purchase the RFID system out of savings generated by the contract.”¹⁴

Who will oversee the library contract and will that person have knowledge of libraries? Riverside County, California is the only municipality known to have its library management contract overseen by a librarian. The other municipalities designate a representative of the municipality and that person may or may not have knowledge of libraries.

If you want to submit a counter proposal –

The best strategy if you wish to submit a counter proposal is to arm yourself with knowledge. The RFPs, proposals, and contracts of the libraries that are currently under contract are public documents and can provide a wealth of information in preparing your own proposal. The documents provide a guide to the contracting process as well as a guide to the language used in successful proposals. Knowing the language in which these documents are written provides a strong base for the creation of a public-based proposal.

The library staff may find it beneficial to work with another entity in creating the proposal. In various communities, the library staff has worked with the library’s Board of Trustees, the friends of the library, and the library staff’s union to submit a proposal to operate the library.

Be aware that almost any proposal created by library staff will undoubtedly cost more money than the proposal created by the private vendor. In every case so far where library staff or some other entity has created a proposal, the private vendor's proposal cost the municipality less. Since it is difficult to win the numbers game, it is important to highlight the unique aspects of being a public entity. A proposal written by the library staff should highlight how a publicly managed library has no overhead and would use the entirety of funds to operate the library. There would be no profit. The library staff already has a long experience with the municipality and the community. They would provide local management and would be the only 'customer' of the municipality. Additional strategies would be to highlight any patron satisfaction surveys or other documentation that outlines the satisfaction the community has with the current management.

If you want to resist -

The best way to avoid outsourcing is to make sure that your library is a vocal organization in your community. Does your municipality know what the library is and what it does? Making sure that the library has a strong relationship with the local governance and the broader community makes it less likely that this type of outsourcing scenario will be a surprise.

If your municipality is interested in outsourcing library services and you are opposed to the idea your first step is to understand why the municipality is seeking this as a possible goal. What do they hope to gain from outsourcing? Is it to fix a problem? Can the problem be fixed some other way? Is it to save money? Will money actually be saved? Robert Ward's study and a paper from the Library Board of Trustees for Dartmouth, Massachusetts Public Library found that little, if any savings resulted from library management outsourcing.

Twelve municipalities have started discussions to explore library management outsourcing, some even created RFPs, but none of the efforts so far have led to private library contracts. Two seeming common denominators in many of these cases is a negative perception of outsourcing by the community and an increased interest by the local and national media. Once the conversation began about outsourcing the public library word spread through the community and the idea was broadcast widely in the media. Stories about the Tewksbury and Dartmouth, Massachusetts libraries appeared in the Boston Globe.¹⁵ Other stories about library outsourcing have appeared in the New York Times and the Associated Press.

In some communities public disapproval of library outsourcing seems to have had an influence on the choice to keep the libraries publicly managed. Public sentiment against outsourcing, including 1,686 petition signatures, and worries that there would be high staff turnover because of reduced salaries from the contractor led Bedford, Texas to keep its libraries publicly funded.¹⁶ Community disapproval seems a deterrent, but it is not always an effective one. In at least one municipality, the library system was outsourced despite seeming widespread disapproval of the idea in the community.

Some municipalities in Florida have considered outsourcing, but there is concern that private management will disqualify the libraries' status as public libraries in the State of Florida and thus disqualify them from receiving state aid. Additionally, the State Library of Florida has petitioned to add text to state statute describing the requirements for libraries eligible to receive state aid. The change, if approved, would essentially remove the possibility that a private contractor could manage libraries in the state. Only libraries with a full time, single administrative head employed by the library's governing body would qualify for state aid. The power of the state library to set standards defining what constitutes a public library varies greatly from state to state. In some

states state library standards operate more as general guides than rules for designation. In other states, like Florida, library standards operate in a regulatory capacity and libraries that do not fit the criteria presented do not qualify for state aid. Dartmouth, Massachusetts also had concerns about how contracting would affect access to state aid.

Throughout each of these three strategies is the idea that knowledge of the existent library outsourcing documents is imperative. The RFPs, proposals, and contracts from the existing contracts are public documents and provide information on how the contracts are negotiated, what successful proposals look like, and what can be expected in a final contract.

Conclusion

From 1997 to 2007 thirteen library systems were outsourced and then from late 2007 to early 2010 there were no new contracts. In October of 2010, the Camarillo Public Library in California was contracted and in the summer of 2011 the Santa Clarita Public Library, also in California will be contracted. (See appendix for a list of communities.) It should also be noted that all municipalities that have made the decision to outsource the management and staffing of their libraries to a contractor are all still under contract, except two. The Calabasas, California Public Library switched back to public management in mid 2007 and the Lancaster Veterans Memorial Library in Lancaster, Texas changed back to public management in October 2008.

The future of public library management outsourcing is unclear. What looked like a growing trend from 2001 – 2007 seemed to have stalled, but two new systems contracted in the last six months and an interest on the part of municipalities seems to indicate that the plateau has been breached. The municipalities that have considered outsourcing their libraries in the last few years may have been looking for a monetary fix as the economy took an extreme downturn and

abandoned the idea when the idea did not seem to solve outstanding issues but created new ones in the form of public protest. California, which has the most outsourced libraries may have more in the near future as California Governor Jerry Brown's proposed budget for fiscal year 2011-2012 eliminates state funding for public libraries.

Resources

American Library Association, "Outsourcing and Privatization in Libraries," (Office of Information Freedom Toolkit)

<http://www.ala.org/ala/aboutala/offices/oif/iftoolkits/outsourcing/default.cfm>.

Florida Department of State, State Library & Archives of Florida, "Outsourcing and Privatization of Public libraries" <http://dlis.dos.state.fl.us/bld/outsourcing.cfm>.

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Robert C. Ward, "The Outsourcing of Public Library Management: An Analysis of the Application of New Public Management Theories from the Principal-Agent Perspective," *Administration & Society* 38 (2007): 627-648.

Appendix*Communities with outsourced management and staff*

<i>Community</i>	<i>Year outsourced management began</i>
Riverside County, California	1997
Calabasas, California	1998 – no longer under contract 2007
Lancaster, Texas	2001 – no longer under contract 2008
Finney County, Kansas	2003
Red Oak, Texas	2003
Collierville, Tennessee	2004
Germantown, Tennessee	2004
Millington, Tennessee	2005
Leander, Texas	2006
San Juan, Texas	2007
Jackson-Madison County, Tennessee	2007
Jackson County, Oregon	2007
Redding Shasta County, California	2007
Moorpark, California	2007
Camarillo, California	2010
Ventura, California	2010
Santa Clarita, California	2011

Communities that have had outsourced management, but not staff

<i>Community</i>	<i>Years of outsourced management</i>
Fargo, North Dakota	2000-2003
Hemet, California	2000-2004
Linden, New Jersey	2001-2004
Jersey City, New Jersey	1999-2001

Communities known to be exploring or have explored outsourced management

Bedford, Texas

Hernando Valley, Florida

Spokane Valley, Washington

Patterson, New Jersey

Dallas, Texas

Passaic, New Jersey

Los Angeles, California

Tewksbury, Massachusetts

Dartmouth, Massachusetts

Oak Brook, Illinois

Seminole County, Florida

Nevada County, California

Ventura, California

Stockton, California

San Joaquin, California

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- Ron A. Dubberly, "Why Outsourcing is Our Friend," *American Libraries*, 29 No.1 (Jan. 98): 72.
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9. Norman Oder, "Bedford Mayor Nixes Library Outsourcing," *American Libraries* (8/1/2007). <http://www.ala.org/ala/online/currentnews/newsarchive/2007/august2007/bedfordnixes.cfm>.
11. Norman Oder, "Public Libraries, Private Company: The Outsourcing Compromise," *Library Journal* (<http://www.libraryjournal.com/article/ca456252.html>).

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12. Norman Oder, "TN PL Considers Outsourcing," *Library Journal* 131 No.6 (4/1/2006): 19.

13. City of Moorpark, California. *Amendment No. 1 – LSSI*.

14. Bedford, Texas City Council, "Council Minutes August 28, 2007."

15. Connie Paige, "2 Towns Weigh Privatizing Libraries: Cost Cutting Idea Troubles State Board," *Boston Globe* (March 20, 2008).

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