Consortial Purchasing of E-books

Orbis Cascade Alliance

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Abstract

This chapter of The No Shelf Required Guide to E-book Purchasing *studies how a consortium of thirty-six academic libraries in Oregon took a collaborative, consortium-wide approach to e-book purchasing. The alliance reacted to the threat of individual library e-book purchases limiting resource sharing by creating several teams to investigate and develop a shared e-book program.*

The Orbis Cascade Alliance is a consortium of thirty-six academic libraries in Oregon and Washington. According to its mission statement,

> The mission of the Alliance is to strengthen member libraries through collaboration in order to support the work of our students, faculty, staff, and researchers. Alliance members join together to enhance our services, share our information resources and expertise, enrich and preserve our collections, and develop library staff to meet the challenges of a rapidly changing information environment.[1]

The organization grew out of the 2003 merger of two regional consortia, Orbis (Oregon) and Cascade (Washington), in order to strengthen services within member libraries and the region. Core elements of the Alliance's overall success were its strong history of collaboration and the collective strength of the print monographs collection accessible to users in all member libraries through patron-initiated borrowing. As the number of e-books purchased by member libraries increased, restricted access to these individual purchases could have decreased the value of the cumulative resources of the Alliance. Technological constraints and digital rights management issues rendered individual e-books purchased by a member library inaccessible to the entire membership. With the changes in the monograph marketplace, the Alliance decided to proceed with a demand-driven pilot project that guarantees shared e-book access for all member libraries. The Alliance's evaluation process and recommendations are one example of a consortial approach to sharing e-books.

The organization of the Alliance fostered collaboration on a number of levels. The Alliance Council and its executive council established committees to help manage the ongoing work of the organization with a representative from each library and led by seven member steering teams. Among the first committees created were Electronic Resources (ERC) and Collection Development and Management (CDMC). The successful evaluation and selection of a preferred monograph vendor by CDMC for collaborative collection development initiatives was foundational for the work to come. Following on that accomplishment, the Alliance created an e-book task force to evaluate a shared e-book program and to issue recommendations. Based on that team's recommendations, a second team investigated different vendors and options for a shared e-book program. Out of this structure, this environment, and these activities emerged the plan for the demand-driven initiative (see figure 2.1).

In 2005, the CDMC began exploring the designation of a single preferred consortium monographs

2003	Merger of two regional consortia, Orbis (Oregon) and Cascade (Washington) into Orbis Cascade Alliance.
2007	Alliance selects YBP as its preferred consortium monographs vendor.
April 2009	First brainstorming session on exploring a consortium e-books program.
May 2009	First e-book team created.
June 2009	Report submitted to Alliance Council.
November 2009	Council approves the report's recommendations.
December 2009	Council creates second e-book team.
January 2010	First meeting of second e-book team.
February 2010	Survey issued to Alliance libraries.
April 2010	RFI issued.
May 2010	Responses received.
July 2010	Revised proposals received.
August 2010	E-book team selects EBL and a demand-driven pilot project.
November 2010	Council approves recommendations.
December 2010	Third e-book team created.

Figure 2.1
Timeline of events leading to the Alliance's demand-driven e-book pilot project.

vendor to help facilitate cooperative collection development. After surveying member libraries, the Alliance Council, consisting of library deans and directors, charged the CDMC to undertake a number of projects aimed at improving cooperative collection development. Foremost was to move forward with identifying a preferred vendor.

During the vendor evaluation, YBP Library Services was asked about its interest in working with Alliance libraries to develop consortium-wide access to e-books selected at the individual title level, initiating, at the outset, the conversation about a partnership to provide access to e-books. In 2007, the Alliance announced its selection of YBP as its preferred book vendor. This partnership would continue through different investigations of a shared e-book program. In 2009, the executive council set a strategic agenda, with cooperative collection development named as a top priority. CDMC was encouraged to develop a collaborative opt-in pilot for a single-title e-book–purchasing plan. An early proposal involved interested libraries participating in a centrally funded program while exploring consortium workflows and designating selectors to build collections for the Alliance as a whole. Early discussions focused on examining the e-book landscape: vendors, proprietary interfaces, delivery methods, packages versus individual title selection, digital rights management, and discovery and access issues. At one meeting, a YBP representative said that the Alliance was in a unique position to devise an innovative model, which could include recent developments such as "patron on demand" selection. This representative encouraged participants to focus on a pragmatic pilot project but to also dream big, building on the Alliance's collaborative nature.

A variety of elements were seen as crucial to a shared model: individual selection, universal access among members, consortium-level licensing, provision of MARC records, seamless authentication, leveraging the relationship with YBP, and making use of the features of YBP's GOBI selection tool. Volunteers were solicited to continue the work, and a recommendation was drafted asking the Alliance Council to appoint a group to craft an Alliance-wide e-book proposal. The executive council appointed the EBook Task Force in spring 2009 and charged members to consider and provide recommendations to implement a consortial approach to purchasing eBooks, with the goal of sharing titles purchased by individual members. Examine the idea of centrally funding an eBook collection to which all Alliance members have access.[2]

The nine-member committee represented the Alliance geographically and by library type, including public and private, community and liberal arts colleges, and an ARL-sized institution. A member of the Alliance staff served as liaison to the team. The charge focused on defining what was crucial to the consortium. Although the relationship with YBP was seen as essential, the team did not include YBP as a full partner at this time. A literature search revealed that little had been written about collaborative collection building for e-books; the team was moving in a new area. The team decided to develop a new model to purchase e-books to combine power of Alliance libraries, work with YBP to build buy-in from e-book aggregators and publishers, and ensure that all titles should be shared among member libraries. Participation by member libraries was seen as strictly voluntary, leaving the team to struggle with how to meet its charge to develop a model to share among all members with an equitable funding model through a strictly opt-in program.

Concepts were beginning to take shape. Focusing merely on a short-term pilot would raise as many

questions as taking a longer-term view; any proposed model should serve as both a test and a longer-term foundation. Clarification regarding a number of issues was needed but not easily found. These issues included the role of a short-term pilot in a long-term vision to share resources; the role or absence of centralized funding; diverse needs of consortium members; and how possible partnerships, especially with YBP, could help us progress. Team members identified the following tasks: identify desirable elements of a consortium program; outline logistical issues, such as discovery and access, workflow, and funding; and develop a report timeline.

Working for short periods of time via the phone was a useful start, but, in hindsight, the lack of early face-to-face meetings hindered give-and-take that could have moved the work forward more rapidly. A more sustained, in-person meeting allowed team members the time to craft a first draft of what would become the team's report to the Alliance Council. The plan that emerged centered on a number of elements: an Alliance e-book program should focus collection development on the individual title level; selection should be prioritized to benefit the maximum number of member libraries; all members should participate and support the program through a fair model of funding; and the Alliance would partner with YBP to develop a program. This model was seen as the most viable first step because it built upon the strengths of current selector purchasing behaviors and an established relationship with a consortium vendor and would open access to all member libraries. The team recommended the work be continued by a second team with expertise in these areas.

YBP confirmed interest in working with the Alliance. In less than a month, a report was presented to the Alliance's executive council. The report focused on five recommendations:

1. Create a subsequent Task Force to leverage the existing relationship with YBP to create an entirely new eBook Consortial Purchasing Model that allows consortium-wide access to titles purchased by individual member libraries. the Task Force will focus on developing and implementing the new model, and on addressing the concomitant issues.
2. Alliance wide access to eBooks purchased through this program necessitates full participation, including financial support, by all Alliance member libraries.
3. Develop a funding model to support the program in an equitable manner.
4. Develop a model that prioritizes selection in a way that benefits the most members possible.
5. Evaluate the project to determine ongoing viability.[3]

The report noted, "It makes the most sense to play to our strengths."[4]

By leveraging relationships within the Alliance and with its preferred vendor, team members recommended the Alliance pursue the development of an entirely new e-book selection model. The report called for a new team consisting of members with expertise in the issues outlined above; proposed that the team work with other Alliance committees and task forces, particularly CDMC, to move the idea forward; and suggested that the combined FTE and acquisitions budgets of Alliance libraries could be used to sway the e-book market.

The Alliance's executive committee approved the following charge for a subsequent team:

- Leverage the existing relationship with YBP to create an entirely new eBook Consortial Purchasing Model that allows consortium-wide access to titles purchased by individual member libraries.
- Focus on developing and implementing the new model, and on addressing access, collection development, financial, and technical issues outlined in the eBook Task Force report of June 12, revised August 5, 2009. It is expected that the team will work with the Collaborative Technical Services Team charged with developing technical services operations that support collaborative cataloging/processing for eBook collections.
- Develop a funding model to support the program in an equitable manner.
- Develop a model that prioritizes selection in a way that benefits the most members possible.
- Evaluate the project to determine ongoing viability.

It is broadly understood that Alliance-wide access to eBooks purchased through this program will require full participation, including financial support, by all Alliance member libraries. We expect that the membership's shared commitment to collaborative strengthening of the Alliance collection will enable the team to craft a program all members can support.[5]

The Alliance's executive committee appointed six members to the e-book team, a chair, a staff member from the Alliance, and a liaison to the Alliance Council. Members of the team again represented the consortium geographically and by library type and size. YBP participated as a full partner, with two representatives on the team. Early discussions were devoted primarily to brainstorming potential purchase models and issues around a shared e-book program. A crucial issue for the e-book team was creating funding and selection models that would work for a diverse group of institutions. A critical piece of the team's success would depend on each library finding value in the model selected. The group brainstormed future purchase models and considered which model would earn enough support in the Alliance. However, the team was far from consensus on a final purchase model. The team thus decided to

The No Shelf Required Guide to E-book Purchasing **Sue Polanka, Editor**

survey member libraries to determine their interest in a variety of purchase models and start working with the aggregators that presented at the CDMC's fall meeting.

The survey included questions on the following topics:

- Do you have a preference for one of the three aggregators, EBL, ebrary or NetLibrary?
- What do you like about the aggregator platforms, and are there any reasons you do not want to order from one of the three vendors?
- Can you please rate the six purchase models described in the survey?
- How do you handle licensing electronic content and budgeting for e-books? Are they ordered through YBP? Are selected e-books core or supplementary material?

The team proposed the following models: pay-per-view; combination pay-per-view and demand-driven; individual title selection; purchase collections; subscription; or demand-driven. Results did not provide the team with a clear direction. Of the three e-book aggregators mentioned in the first question above, the nineteen respondents preferred EBL and ebrary, with a stronger preference for EBL's pricing model. Responses on the pricing models were mixed, with a subscription model receiving a slightly higher score than any other model. The pay-per-view, demand-driven, and hybrid models received a significant number of votes when combined. The purchase of collections received the lowest ranking of the proposed models.

The team discussed the survey results and decided to thoroughly analyze all e-book options that could work with YBP's GOBI system. To gather additional information, an informal Request for Information (RFI) process was employed, with inquiries sent to EBL, ebrary, NetLibrary, and a select group of publishers. In the case of the individual publishers, there was considerable concern that they were not likely to change current business models to suit the consortium's needs. However, the team felt it would be worthwhile to keep them involved and aware of what our consortium wanted.

Each respondent was asked to submit pricing information for four purchase models: purchase of collection or collections; individual title selection; demand-driven; and a demand-driven/pay-per-view hybrid, along with information about platform features, archiving capabilities, and possibilities for interlibrary loan. Each was to assume that all thirty-six Alliance libraries would participate in a shared e-book program and all would use YBP's GOBI system. Although the team was open to the publishers' responses, the team believed the aggregators could provide more pricing and selection possibilities.

The team received numerous questions from recipients of the RFI. A significant amount of time was spent explaining the models the consortium was considering and stressing that this proposal included all thirty-six members of the Alliance. At least one publisher, concerned that pricing and discounts for individual customers might be revealed, asked whether the purchasing history of member libraries was expected as part of the response. Due to the additional questions, the deadline was extended a week, at which point responses from all three aggregators and five of the six publishers were received.

In reviewing the responses, three themes emerged. First, all of the respondents agreed to work with YBP. Initially this was perceived as an obstacle for the publishers, but that was dismissed as soon as responses were reviewed and follow-up conversations with the vendors were held. Second, publishers' responses acknowledged that all were not very far along in their development of funding or access models proposed by the team. The majority of publisher responses focused on purchasing large collections with standard pricing models. A few publishers indicated that they were investigating demand-driven models, but that option would not be available for six to twelve months. Finally, and most importantly, every response offered pricing that was out of reach for the consortium. One team member said the pricing left her speechless. The majority of proposals offered pricing based on a multiplier format. A multiplier formula took the cost of an individual e-book and priced it anywhere from five to twenty times the original price.

At the same time the team sent out the RFI and reviewed the responses, the CDMC Steering Team began analyzing the number of print copies purchased in the consortium to recommend a threshold or maximum number of copies purchased within the Alliance. The CDMC Steering Team reviewed Alliance-wide YBP monograph purchasing data, which showed that four or fewer copies were purchased for 91 percent of new titles; only 9 percent of new purchases exceeded four copies.[6] Using this information, the team started wondering how it could demonstrate to the RFI respondents why their multiplier formulas would be difficult to sell within the consortium based on the YBP purchasing data.

At the end of the deliberations, the team decided it could not recommend any of the current proposals to the Alliance's Leadership and asked all of the respondents to reconsider their proposals. The aggregators and publishers were told that the team was leaning towards either a demand-driven model or individual selection of e-books to be shared in the consortium. The team also emphatically said that any multiplier greater than four was problematic and referred to the data analysis conducted by the CDMC Steering Team. The team gave everyone a month to submit revised proposals.

The three aggregators and three publishers sent revised proposals. The six vendors reduced their pricing

for the consortium. The first round of deliberations narrowed the choice of vendors to ebrary and EBL. There was consensus that the publisher proposals were too expensive, would limit the pilot project to content from only one publisher, and did not met the team's charge. At this point, the remaining vendors were notified that their proposals were no longer under consideration.

When the team met to finalize its recommendations to the Alliance Council, it voted and agreed to move forward with EBL as the vendor of choice with its demand-driven purchase model. EBL demonstrated a real understanding of what we wanted to accomplish and was on task at every turn. Throughout the process, EBL provided excellent customer service, demonstrated a clear understanding of Alliance needs and goals, was highly responsive to requests, and met deadlines set by the committee. Most importantly, the team found the short-term loan model the most attractive option for a pilot project. The team made the following recommendations to the Alliance Council, which approved the recommendations in November:

- Use an aggregator rather than purchasing a publisher package with EBL as the aggregator of choice.
- Implement a demand-driven selection model.
- Create a preliminary funding model for the initial six months based upon member library FTE.
- Implementation led by the CDMC Steering Team with assistance from the Collaborative Technical Services Team.
- Evaluation during the pilot project and after six months.[7]

The entire RFI and evaluation process was time-consuming. Two teams spent a significant amount of time researching the marketplace, brainstorming ideas with member libraries, and talking to vendors about the needs of the Alliance. It especially took time to explain the Alliance's desired program to vendors, as many indicated that they had never encountered a proposal for full participation of thirty-six libraries with limited funds for the project.

Good communication was essential to making progress and maintaining momentum. The two e-book teams tried a variety of methods to work on their reports and recommendations. The second team learned an important lesson from the first; it was challenging to work certain issues over the phone. In addition to one conference call and a webinar, the second team met in person on a regular basis. While this created some expenses, the team was able to work far more efficiently. Regular reports were submitted to the Alliance Council and the executive committee. Discussions were held at annual meetings, with all of the CDMC representatives to answer questions and share findings. Finally, minutes of every meeting were posted on the Alliance website, along with regular e-mail updates to various Alliance e-mail lists.

Because of the diverse range of institutions in the Alliance, the second team struggled to find a purchase model that would work financially for every library. The team knew that the initial funds for a pilot project would likely be limited due to budget pressures facing many of the libraries. Even though the pilot project received strong support from the Alliance Council, the team knew it had to start small, which was difficult for publishers to understand. Both teams assumed that publishers saw a large number of institutions or a large FTE and perceived that substantial funds were available. In reality, most of the institutions are small, and the larger institutions were facing severe budget cuts. A funding model was based on one used by the electronic resources program for shared electronic resources. In the future, the e-book implementation team will review the funding model for ongoing support.

Collaboration at several levels also helped move the teams forward. Alliance standing committees, along with the task force and team, worked together to gather background information, define issues, and develop interest. Essential to the work of the second team was the full partnership of YBP and its staff, who worked alongside Alliance libraries to develop the proposal for the demand-driven pilot that was slated for launch later in spring 2011.

Both teams worked in a rapidly changing marketplace, and team members had to be flexible and open-minded about developing the best model. EBSCO purchased NetLibrary during the deliberations, and ProQuest purchased ebrary shortly after the Alliance Council approved the recommendations of the second e-book team. The advice from an YBP representative—to ask for development of needed products and outcomes rather than accept the current situation—was invaluable. In addition, the discussion of demand-driven acquisitions exploded in the library community between January and June. The more case studies team members read, the more they started to wonder if this purchase model would become the team's preferred model. When the team began to investigate a demand-driven model for the consortium, members realized that access issues could take on greater importance than actual selection of content and questioned whether the existing team was the best fit for addressing access issue. CTST would work on discovery and access issues. The responsibility of leading the project through developing a long-range funding model, providing ongoing support through assessment and collection development, was handed to CDMC.

In December 2010 the Demand Driven Acquisitions Pilot Implementation Team (DDAPIT) was appointed by the executive council to act upon the recommendations of the second e-book team. CDMC assigned members

to the team. DDAPIT is moving forward, mindful of the lessons learned by the earlier teams. It continues to draw upon collaborative relationships both within and outside the Alliance. Members are from a cross-section of Alliance libraries and are working with other Alliance teams, most notably the CTST. Key contacts in each member library have been identified and consulted to move the pilot forward. Training and evaluation plans utilizing Web-based resources and face-to-face encounters are under development. EBL has joined YBP as a full participant in the planning process. The DDAPIT is also looking to work with OCLC to address access and discovery issues.

In conclusion, the Alliance reacted to the threat of how individual library e-book purchases would limit resource sharing by creating several teams to investigate and develop a shared e-book program. Over a period of sixteen months, two teams spent a significant time identifying the issues involved in a shared e-book program, sending out an RFI, evaluating vendors, and selecting a model and vendor that would work for the Alliance. Working in a quickly changing marketplace, the e-book team learned that it was important to identify the project's goals, allow enough time for deliberation, and not be disappointed with the options presented by publishers and vendors. As the DDAPIT begins its work, the team looks forward to the collaboration with the Alliance member libraries and its vendor partners.

Notes

1. Orbis Cascade Alliance, "Mission Statement," Oct. 8, 2004, www.orbiscascade.org/index/mission-statement.
2. Orbis Cascade Alliance EBook Task Force, "Report to the Alliance Executive Committee," June 12, 2009, rev. Aug. 5, 2009, 2, www.orbiscascade.org/index/cms-filesystem-action/ebook_task_force/ebooktfrepor-t0609rev.doc.
3. Ibid.
4. Ibid., 4.
5. Orbis Cascade Alliance EBook Team, "Report to the Orbis Cascade Alliance Board of Directors From the Ebook Team," Oct. 1, 2010, 2, www.orbiscascade.org/index/cms-filesystem-action/ebook_task_force/ebookteamfinalreportsept2010.doc (login required).
6. Orbis Cascade Alliance Collection Development and Management Committee, "Unnecessary Duplication Threshold," Nov. 2010, www.orbiscascade.org/index/cms-filesystem-action/collection_development/thresholdreccouncil.doc.
7. Orbis Cascade Alliance EBook Team, "Report," 2.