WISCONSIN

PLSR

PUBLIC LIBRARY SYSTEM
REDESIGN PROJECT

Delivery
Workgroup Report
April 2, 2018

This report is part of a larger report presented to the
PLSR Steering Committee:
http://www.plsr.info/april2018report

Delivery Workgroup

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PROJECT MANAGER INTRODUCTION

The report of the Delivery Workgroup is part of a culmination of a larger process to consider how to best provide public library system services in Wisconsin. Building on the work of many, its goal is to develop a plan for implementation of new models of service. The process, led by a Steering Committee, will result in recommendations from the Steering Committee to the Department of Public Instruction (DPI). The workgroup reports are provided to the Steering Committee as an input to their recommendation process.

In order to develop new models of service, the project manager formed workgroups of community members. The PLSR Steering Committee, with the guidance of the project manager, selected workgroup leads and facilitators from a pool of applicants for each service area and assigned liaisons from DPI and the Steering Committee to each group. In March 2016, the facilitators, leads and liaisons to each workgroup reviewed the applications from potential participants to determine the composition of the workgroups.

The following report is the result of the workgroup's consideration of their topic area over the past two years.

ABOUT THIS REPORT

The PLSR process asked each workgroup to answer the following question in the course of their model development: what is the best way to maximize resources, improve services and provide increased equitable access to services? They were not asked to recommend an overall structure for collaborative public library services (i.e. determining if there should be library systems), who might provide the services described or how the services would be funded.

To answer the question posed to them, the workgroup created a model of service, which is included in the following report.

In addition to the service model, the report includes suggestions or recommendations in the following areas. The intent of these recommendations is to provide the Steering Committee with information as they consider overall governance and structure.

STAFFING MODEL
Recommendations include the number of positions and descriptions of the job duties. The staffing numbers account for management of the service area but not overall administrative staffing, as those considerations will be taken up by the Steering Committee.

ESTIMATED BUDGET

Rough figures for what the new model might cost. These are generally presented as a range of costs. Some costs, such as equipment, are service area dependent and are included in the recommendation. There are costs, however, that cannot be included in the service area budgets either because the cost cannot be known until the overarching structure is determined or because there is a philosophical decision that would need to be made by that overarching structure in order to determine costs. The workgroup discussed these costs and details of those discussions can be found in the Project Manager's report.

IMPLEMENTATION

The workgroup has provided recommendations related to implementation that include priorities for implementation, what might be easier to implement within the existing structure and barriers or concerns around implementation. Implementation recommendations are limited; any implementation of service models depends heavily on the structure recommendation from the Steering Committee and the subsequent work of DPI.

GOVERNANCE

The workgroup has provided recommendations for service accountability and service user involvement, including feedback mechanisms.

SOME POINTS TO KEEP IN MIND WHILE READING THE REPORT

THE REPORTS ARE LIMITED TO THE SCOPE OF THE WORKGROUP'S CHARGE

The workgroup was instructed to focus on how best to deliver services and how to deliver the best services. The Steering Committee is responsible for making recommendations related to funding, structure and administration. Therefore, the report does not include answers to questions such as:

- Will there be systems and, if so, how many?
- Who will provide services?
- How will services be funded?
- When will it be implemented?
- What exactly will governance look like?

CONCENTRATING ON STAFFING NUMBERS IS NOT GOING TO GIVE AN ACCURATE PICTURE OF WHAT IS BEING PROPOSED

The workgroup was asked to provide an ideal organizational chart for their service area once the service area was completely up-and-running in the new model. At the same time, many of the workgroups proposed implementation plans that ramp up the services over a period of many years and provide for assessment of staffing levels during that time so that, once fully implemented, the service area is appropriately staffed.

BUDGETS ARE ROUGH, BALLPARK ESTIMATES

Implementation is where costs will be more precisely determined. The costs in this report are ballpark estimates that give a sense of cost to help contextualize the models.

GOVERNANCE RECOMMENDATIONS ARE GENERAL AND LIMITED TO ASSESSMENT WITHIN THE MODEL

Without a clear understanding of structures supporting the service models, the workgroup was unable to offer governance and accountability recommendations beyond the scope of the services. For example, the workgroup could not recommend appointing authorities, though they could recommend oversight bodies for the service.

THE MODELS ARE FUTURE FACING BUT NOT FUTURISTIC

The workgroup was given a service area to consider and was asked to redesign the current service while keeping in mind the future. As they each developed their model, they considered how it would support change and growth in the future, but they were not designing models that focused on (or predicted) future services.

THE REPORTS ARE NOT THE END OF THE PROCESS

While these reports are an important step in the process, they are far from the end. The Steering Committee will work with Core Recommendation Collaborators, Model Development Summit Participants and a facilitator to build their recommendations for DPI. In addition to the workgroup recommendations, many other sources of information will be considered during the Steering Committee's recommendation development process. After the Steering Committee submits their recommendations to DPI, there are a number of steps and processes that DPI may undertake to further vet the recommendations with the library community and others.

For more information about the process and reports, please see the complete Project Manager's Report, linked from http://www.plsr.info/workgroups/workgroupreport/

MODEL OVERVIEW

The Delivery workgroup aims to improve equity across the state by having fewer regions of more uniform size to equalize resources, reducing duplication to make more resources available to improve service, ensuring that libraries have access to receive delivery every weekday they are open and having a system of moving material between regions that is more efficient throughout the state.

The workgroup is proposing an eight region delivery model where each library in a region receives delivery from that region's delivery hub and the eight delivery hubs are then networked to connect to each other. This consolidates regional delivery service from the 16 region model that currently is provided by the 16 public library systems. In the proposed model the eight regional hub locations, located near transportation corridors, will be networked to connect more directly to each other as opposed through a single statewide delivery hub. Currently, a statewide delivery service operated out of Madison provides statewide delivery to connect the 16 systems while also stopping at more than 65 other library locations on the statewide routes it runs that travel approximately 1,200 miles per day.

The new model does the following.

- Eliminates the need for a central sorting location for statewide delivery, which in turn eliminates one additional sort of items shipped through statewide delivery along with the space and related costs for the central sorting location
- Minimizes the effect of inclement weather on delivery so service between hubs is not impacted by weather in other parts of the state
- Eliminates the need for an item marked for delivery to a neighboring county traveling to the statewide central sorting facility in Madison first

WORKGROUP MEMBERS

Corey Baumann, South Central Library System (Co-Lead)
Julie Schmude, Winnefox Library System (Co-Lead)
Peg Burington, Waupaca Area Public Library
Charles Clemence, Winding Rivers Library System
Judy Kaniasty, Milwaukee County Federated Library System
Julie Pohlman, Library Program Director, UWSA – Office of Learning and Information Technology
Maureen Welch, Indianhead Federated Library System

Past Members
John Pollitz
Krista Ross

Steering Committee Liaison
Jessie Lee-Jones, Platteville Public Library

DPI Liaison
Shannon Schultz

CHARGE OF WORKGROUP

The Delivery workgroup's charge is to analyze and explore methods to offer the most equitable, efficient and cost-effective delivery of physical materials to and from libraries in the Wisconsin delivery network.

BACKGROUND

Chapter 43 of Wisconsin Statutes requires public library systems to provide physical delivery of library materials to participating libraries. Each of the 16 library systems provides delivery to their member libraries via a library system-operated delivery service or through a contract with a private courier. The frequency of service provided to libraries greatly differs around the state. In some library systems the difference in frequency of service can be attributed to different needs and wants of member libraries and in others it is a limitation of the funding available to that system which prohibits it from providing a higher frequency of service.

In addition to regional delivery to libraries in each library system, a statewide delivery network was developed over time by the South Central Library System (SCLS Delivery - http://www.scls.info/delivery/) in partnership with the other library systems and other types of libraries around the state. Beginning in 1991, a pilot group of library systems invested funds for twice-a-week intersystem delivery service. In 1993, grant funding expanded the number of systems involved and the number of days that delivery was provided. The next year, two UW System campuses joined the public library systems in the delivery network.

The SCLS Delivery intersystem routes provide delivery to all 16 public library system headquarters, which in turn provide delivery to their member public libraries. This SCLS Delivery statewide route service had been provided Monday through Friday, however, recent budget constraints of some participants resulted in SCLS Delivery reducing its statewide routes to four days per week to lessen delivery costs. The library delivery network operating in Wisconsin today connects:

- Public libraries: all 16 public library systems, and through them, every public library and branch in the state.
- Academic libraries: including all campuses of the University of Wisconsin System and all UW-Madison campus libraries, the Wisconsin Technical College System, the Wisconsin Historical Society (WHS) Archives Division and Area Research Centers (ARCs) and most private colleges in the state.
- School libraries: public school districts and private schools, either through direct delivery service via a library system or via a local public library serving as the exchange location.
- Special libraries: federal and state correctional institutions, medical center libraries, corporate libraries, mental health institute libraries, special resources such as the Cooperative Children's Book Center and a number of state agencies.

The 16 public library system headquarters and most private academic universities, technical college libraries, state agency libraries and UW-System libraries are connected across the state by SCLS Delivery through their delivery hub in Madison. Also, a few of the state's northern library systems use the same private courier and intersystem delivery is made directly between these systems via this contracted service.

Wisconsin also connects to Minnesota, North Dakota and South Dakota libraries via the Minitex delivery network, a publicly supported network of academic, public, state government and special libraries that provides delivery service to those states. Wisconsin and Minitex have a reciprocal borrowing agreement that allows libraries in the four states to share materials via interlibrary loan without reimbursement to each other.

The contracted private courier for a few northern Wisconsin systems is also the courier that provides delivery to connect Wisconsin and Minitex. For these systems, materials going to and from Minitex are shipped directly between Minitex and these systems. Materials are shipped to Minitex via the SCLS Delivery for libraries in all the other systems in the state. A contracted courier provides Monday through Friday delivery between the SCLS facility in Madison and the Minitex offices at the University of Minnesota.
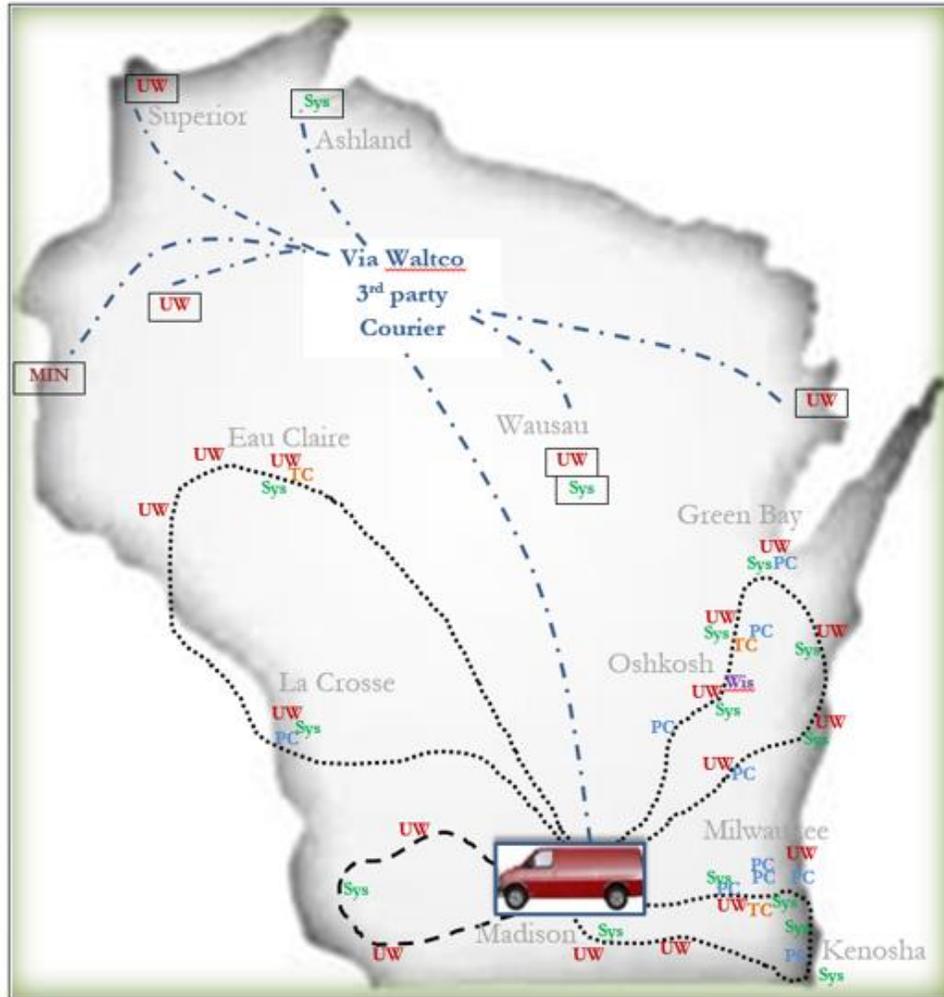
BY THE NUMBERS

In 2017, more than 500 library locations received delivery from a regional public library system delivery service. In total, the 16 Wisconsin public library systems made more than 103,000 annual delivery stops at their member public libraries each year and nearly 6,000 stops to non-public library locations.

This data only reflects the regular weekly stops made by each system at library locations within each system's borders. Most systems also provide other types of delivery whether it be delivery of deposit collections to senior centers and daycares, moving book sale material from one branch to another, or a special request to move equipment or furniture that one library is giving to another. A number of informal delivery arrangements also exist across the state, such as a public library serving as a pick up and drop off location for a local school, connecting the school to the statewide delivery network.

The SCLS Delivery intersystem routes currently provide delivery to just over 80 libraries of all types, including 16 public library system delivery hubs, every UW system campus and 11 Area Research Centers (ARCs) located at UW campus libraries as part of a cooperative network between the Wisconsin Historical Society and the UW System. Annually, SCLS Delivery makes nearly 17,000 stops each year on its statewide routes.

In the spring of 2017, the workgroup administered a delivery volume sample study to determine how many items are currently being transported by the 16 public library system delivery services. While this data is just a one-week sample, it serves as a solid estimation that shows how many items are moved through the regional public library system delivery services on an annual basis.

Approximately 2,400 totes and bags of materials are picked up on a daily basis at libraries within all the 16 systems combined. Using a conservative average of 30 items per tote/bag, this data means that 18.7 million items are being shipped from one library to another library each year through the 16 library system delivery services.

Each year SCLS Delivery does three delivery volume sample studies to assess what it transports on its statewide routes. In 2017, approximately 600,000 items were shipped from one library to another via SCLS intersystem routes. The breakdown is as follows:

- Public Library Systems = 293,000 items
- UW System Campus Libraries = 286,000 items (149,000 between UW-Madison campus libraries alone)
- Other Locations = 21,000 items

Library delivery in Wisconsin is a high volume, high demand business. For public library systems, the large majority of delivery volume is generated by patrons using their system's Integrated Library System (ILS) to discover and request materials.

ISSUES WITH THE CURRENT DELIVERY MODEL

- The frequency of delivery to libraries across the state varies greatly. The following factors lead to service delays that impact some areas of the state more than others.
  - Within the 16 systems delivery ranges from one stop, two days a week to twice-daily stops, six days a week.
  - SCLS Delivery statewide routes are run four days per week. With the SCLS hub in Madison connecting to some locations, due to their distance from Madison, through a contracted courier, which can add an additional day of delivery time in some cases.
- Delivery to non-public libraries may not be coordinated between regional and statewide delivery, which leads to wasted effort and duplication. Here are two examples.
  - SCLS Delivery currently provides delivery to the Southwest Wisconsin Library System (SWLS) headquarters in Fennimore four days a week. From there, SCLS Delivery travels to UW-Platteville. SWLS delivery, located at the SWLS headquarters, also travels to Platteville to provide delivery to the public library three days per week.
  - Winding Rivers Library System (WRLS) delivery currently stops at both Viterbo University and the UW-La Crosse, which are close to La Crosse Public Library, to which it provides delivery. SCLS Delivery also goes to Viterbo University and UW-La Crosse on one of its statewide routes.
- Physical delivery is vulnerable to weather-related cancellations and having a single statewide delivery service hub in Madison can lead to unnecessary service interruptions.

WHAT THE DELIVERY WORKGROUP HOPES TO ACHIEVE
GOALS
Our workgroup is looking for a statewide delivery solution that benefits all stakeholders by:

- Addressing the inequities of service in the current system
- Reducing inefficiencies by better use of time and resources
- Encouraging partnerships and collaborations, both inside and outside the library community, to bring resources to delivery

The workgroup feels that while the efficient use of resources is important, providing equitable and high-quality service is just as important. Our goal is a plan that provides both.

OUTCOMES

Early in the process, the workgroup generated the following list of desired outcomes of a new delivery service model:

- Offer access to the same level of service to all libraries, regardless of size and location
- Provides material transit times that meet or exceed the current expectations of libraries and patrons and is in balance with demand and available resources for providing delivery
- Eliminates duplication of services and increases opportunities to partner and share costs through cooperation and coordination
- Simplifies use of the service for libraries by being efficiently integrated into their current material processing workflows, while still being standardized as much as possible, i.e. labeling and packaging
- Works in conjunction with ILS and ILL systems to most effectively discover, fulfill and route materials with the least amount of handling needed and miles driven
- Provides a regional and statewide delivery structure that is designed and managed using transparent data collection and cost analysis
- Accommodates disruptions in service due to unplanned circumstances, such as weather, and changes in service need and demand by remaining flexible
- Coordinates with other library services, such as Technology and Continuing Education by delivering such things as computers, training labs and education kits to libraries
- Prioritizes safety for all staff involved in the delivery process
- Ensures that materials and items will be handled according to the highest industry standards to provide secure and safe transport
- Evaluates the needs of all service users (regardless of population or geographic size) yet creates a universal improvement in service
- Contains the ability to adapt to change as future needs impact the delivery of material
- Identifies perspectives to gain insight into common opportunities that can lead to more successful and effective partnerships between libraries and community organizations

PROCESS TO DETERMINE RECOMMENDATIONS

The Delivery workgroup first met, via a virtual meeting, on June 3, 2016. Many of the early meetings were virtual, but through experience, the workgroup determined that meeting in-person for longer periods of time was the most effective manner to reach model decisions. In total, the group met seventeen times.

The first steps in determining recommendations focused on developing a full understanding of the existing delivery structure in the state. The workgroup researched existing statewide and regional system delivery information, including delivery volume, route schedules and frequency of delivery. Other work was assigned to small teams. In particular, the workgroup established a team to develop and estimate costs for in-house delivery service options for components of the model and a team to request service models and costs from vendors for components of the model options.

THE IDEAL LOGISTICAL MODEL

The first model development was done to identify what would be the ideal delivery regions for library delivery in Wisconsin. The workgroup defined the parameters of these regions as follows:

- Areas where a regional service can provide stops at all the libraries in the region and complete delivery and sorting within an 8-9 hour working day
- Any library within a region is approximately no further than 100 miles from the delivery hub
- Hub locations are ideally near transportation corridors that will efficiently link to other regional hubs in the state

Connecting the regional hubs to each other would replace the current central statewide hub model to form a new statewide delivery regional hub network. In this ideal model, delivery service within regions will be coordinated to have their routes and sorting completed in time for the arrival of the route that connects the region's delivery hub to other regional hubs. The statewide delivery hub network ideally picks up shipments at each region's hub to deliver them to their destination hubs in time for those materials to be sorted to go out in that day's deliveries to libraries in each region.

If every region can be designed in this manner and each hub connection can happen overnight, then transit time between two libraries that receive five days of delivery per week from their regional hubs would have a one-day transit time between their locations. Please note that this is not a one-day turnaround from when the patron places a request on a title to when the item is available for pick up at the patron's home library. That is dependent on the internal library workflow of processing the outgoing and incoming materials.

Based on preliminary in-house service models for new regions, the following ideal delivery service region map was created.

The workgroup then issued a Request for Information (RFI) to delivery vendors based on this regional map and the desired transit workflows of next-day delivery between any two libraries (Monday-Friday).

Unfortunately, there were only two responses to the RFI. One vendor simply provided per stop cost estimates. The other response indicated they would only provide a proposal to the PLSR Steering Committee for a total statewide delivery model the vendor had developed. Due to the lack of response, the workgroup did not get the information it had hoped for to understand capacities, routing options and costs from private courier options.

PACKAGE VERSUS COURIER DELIVERY

The workgroup did discuss package delivery options outside of a system-operated service with a private courier providing delivery via totes and item routing labels. Package delivery options have been previously studied by others over the years. Based on the following information, the workgroup focused its service model development on a courier-based model.

In 1997, Ruth Bessant conducted a study titled *Delivery of Library Materials in Wisconsin*[1] for the Department of Public Instruction Division for Libraries and Community Learning (now Division for Libraries and Technology). Bessant determined at the time that the cost per item, including postage/delivery charge, packaging materials and labor cost, was $2.41 for United States Postal Service (USPS) library rate and $4.28 for United Parcel Service (UPS) commercial ground service.

In 2003, the Library Research Service issued a report for the Colorado State Library titled *Colorado Courier Cost Comparison Study*[2]. This study concluded that using a courier for library delivery, as opposed to the traditional package delivery options, is much more cost effective. In this study it was determined that USPS would cost over three times as much as their courier service did and UPS would cost over four times as much.

The cost of these options has only increased with the passing years, yet current per item costs to ship one item for one library to another in the existing library delivery model in Wisconsin is still lower. And, in the case of regional delivery, much lower.

- Library system regional delivery = $0.16 per item ($3,000,000 ÷ 18,700,000 items)
- Statewide delivery = $2.17 per item ($1,300,000 ÷ 597,650 items)

CONNECTIONS TO OTHER SERVICE AREAS

Members from this workgroup were included on the Regions and Resource Sharing Topic Teams. These were small teams of members of different workgroups that were brought together to discuss a subject or issue common to their service areas.

- The Regions topic team decided that the workgroups would use the initial ideal delivery region map as a starting point for determining how they will develop their maps to best provide the services in their model. The Regions topic team determined that regional field office/service hub locations have the biggest logistical and model design impact on

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[1] Bessant, Ruth (1997). Delivery of Library Materials in Wisconsin. Department of Public Instruction. Wisconsin
[2] https://www.lrs.org/fast-facts-reports/statewide-courier-saves-libraries-thousands-in-shipping-costs-each-year/, last accessed 3/23/2018.

delivery and that delivery should create an initial map of where hubs would best be located and what service areas might be served by the different delivery service hubs. The topic team emphasized that this was simply a starter map that delivery will use to further develop its model and recognized that hubs and corresponding service areas may change in the final delivery model recommendation based on the detailed route mapping the workgroup will be doing.

- The Resource Sharing topic team advised the Delivery workgroup and ILL/ILS workgroup to consider non-public libraries and how they fit into resource sharing (expanding out after searching public libraries first) and the issue that discovery does not necessarily equal availability. This topic team also asked that the Delivery workgroup consider the readiness of their model for future locations for repository/storage facilities.

The workgroup recognized that their model could impact or be impacted by the Technology and ILL/ILS models. In particular, the delivery system could be used to transport technology equipment and that ILS regions could influence delivery regions. The leaders and facilitators of the three workgroups met via a phone call on June 20, 2017, to discuss implications for the regional ILS component of the ILL/ILS model if it did not align with Technology and Delivery services areas.

The discussion regarding the ILS model informed the workgroup it would need to reconsider their originally proposed seven-region, ideal delivery service map. Over 95% of materials shared between libraries through library delivery services in the state occurs between libraries within the same public library system ILS. The high delivery volume transported and sorted within these regions in the state means in most parts of the state it's most cost effective to have delivery align with the borders of the regional ILSs. The delivery map did inform the ILL/ILS workgroup of what may be ideal for delivery efficiency in the state as the resource sharing environment in Wisconsin continues to evolve.

EQUITY IMPROVEMENT
The Delivery workgroup aims to improve equity across the state by:

- Having fewer regions of more uniform size to equalize resources
- Reducing duplication to make more resources available to improve service
- Ensuring that its possible for libraries to receive delivery every weekday they are open
- Having a system of moving materials between regions that is uniform throughout the state

These measures would help the overarching PLSR objective of ensuring all Wisconsin public libraries have the capacity to provide equitable access to excellent library services regardless of their location in the state.

SERVICE MODEL RECOMMENDATIONS

While the ideal logistical map the workgroup created would have regional delivery forming into seven regions, the reality is that delivery and ILS are interconnected. More than 95% of the library delivery volume is transported within the borders of ILS consortia. When libraries in the same shared catalog are served by separate delivery services, the result has been a significant number of delivery totes need to be shipped between the two delivery hubs each day.

The Lakeshores Library System (LLS) manages the SHARE ILS catalog and is an example of more than one system with different couriers sharing an ILS. A number of years ago LLS partnered to have libraries of the former Mid-Wisconsin Federated Library System (MWFLS) be part of the SHARE catalog. The result was as many as 25-30 totes, an average shipping container that typically holds somewhere between 25-50 items, shipped between the two delivery service hubs each day. In January of 2018, the Arrowhead Library System (ALS) joined the SHARE catalog, which also includes the Kenosha County Library System. Though it is very early in their participation, ALS has reported that it has shipped approximately 20 totes to a central sorting location to exchange the ILS-generated delivery volume between their three independent system delivery services.

With this knowledge, the workgroup recommends a new delivery service regional map. The new map reflects the fluidity in which delivery can and should operate in order to support the material shipping needs of libraries as ILS consortia continue to evolve in Wisconsin. In the past three years, there have been four mergers of ILS consortia resulting in three fewer public library ILS consortia in Wisconsin. The proposed model allows delivery to adjust delivery service region borders to most efficiently handle demand as regional ILS consortia evolve. In the future, should discovery of an item to fill a patron's request be prioritized according to an item's proximity to the patron's home library, regardless of how ILS regions are configured, it will be possible to adjust delivery service regions to be closer to the ideal regions map the workgroup originally created.

The workgroup recommends the following eight-region map to serve as the starting point for a transition to fewer delivery regions, each with a single hub location serving as the connection point to other regions.
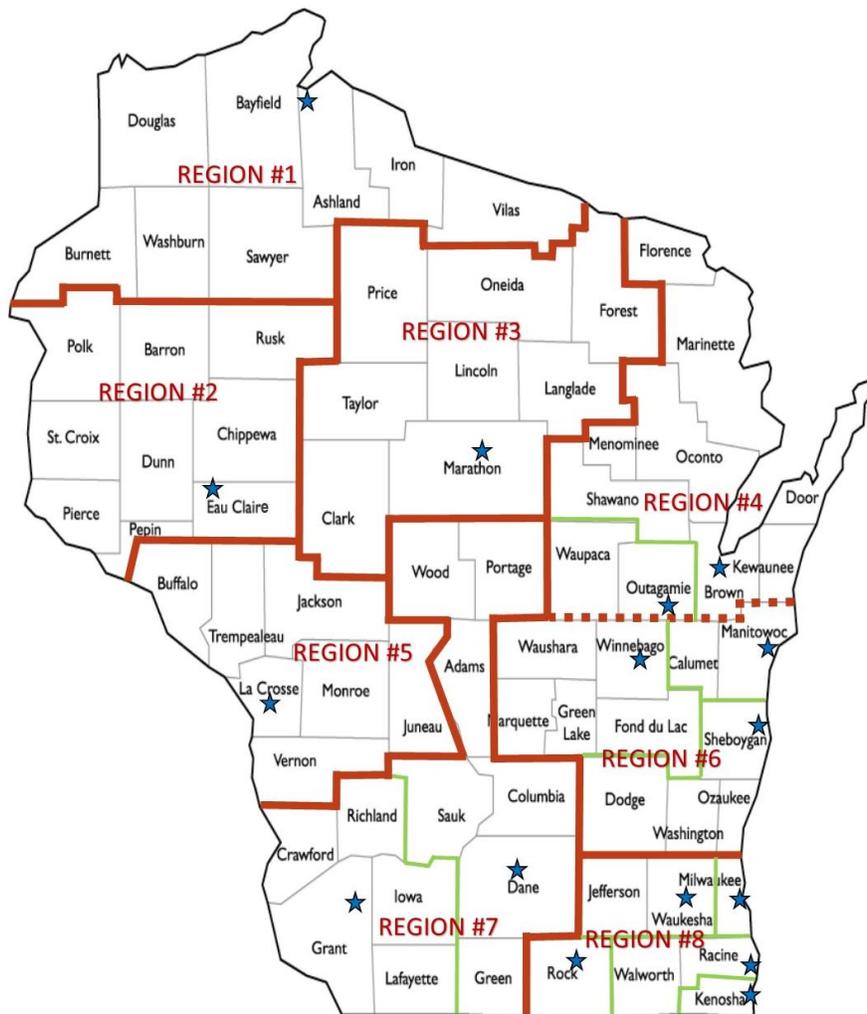
Regions 4 and 6 are separated by a dotted line. As of the writing of this report, the Winnefox Library System, one of the three current library systems within Region 6 as proposed, is in discussions to partner with OWLSNet, the ILS consortium that includes the libraries in the Outagamie-Waupaca Library System and Nicolet Federated Library System (except Brown County Library), the two library systems that make up Region 4 on the proposed map. This dotted line reflects the need for the borders of delivery service regions to be flexible based on how regional ILS consortia evolve.

The regional borders have been drawn so all the libraries of an ILS consortium are within the same delivery region, whether in a region that contains just a single consortium or multiple consortia. There is one exception; Price County is part of the Indianhead Federated Library System's (IFLS) MORE Consortium. IFLS and the Wisconsin Valley Library Service (WVLS) have the same vendor for their delivery services, which has distribution facilities in both the Eau

Claire area (IFLS headquarters) and Wausau area (WVLS headquarters). For the courier, providing delivery to the libraries in Price County is best handled from their Wausau location.

The circumstances of Price County are a case where logistics is more of a priority over keeping libraries of the same ILS consortia together and provides an example that it is not necessary that a regional delivery hub location is located in the same facility as other coordinated services to libraries. Currently, library systems that use private couriers do not have the delivery hub in the same facility as the system office. This is also the situation in two out of the seven library systems that operate their own delivery service.

HOW DELIVERY HAPPENS IN THIS MODEL
REGIONAL SERVICE MODEL
1. Delivery in each region will be provided to all libraries currently receiving delivery service within the region's borders, including those receiving delivery service from the current library system(s) within the region's borders and those libraries that receive delivery via SCLS Delivery's statewide routes that travel within the region.
2. As the starting point for implementing this model:
    a. Regions 1, 2, 3 and 4 remain vendor-based
    b. Regions 5, 6 and 7 remain as in-house delivery operations
    c. Region 8 remains a hybrid of vendor-based and in-house delivery operations
3. In the proposed map, Regions 4, 6, 7 and 8 each contain at least two current public library systems as indicated by the green borderlines. By the completion of the initial phase of implementation, the recommendation is that the systems in these regions form into a single-hub regional delivery service model. Implementation details are covered in the *Implementation Recommendations* section of this report.
4. Ideally, delivery service within each region is coordinated to have routes and sorting completed in time for the arrival of the route that connects the region's delivery hub to other regional hubs. The workgroup recognizes there may be some logistical obstacles to achieving this as the model is implemented. The goal of this recommendation is to align regional delivery with the statewide delivery model in order to connect the regional hubs to achieve the fastest transit time between libraries through better coordination of the logistics of the delivery network. It may be the case, especially in those regions served by private couriers, that this is only possible at a higher cost for delivery in a region. As this model is incrementally implemented, decisions regarding the value and desire for faster transit times versus increased costs will need to be weighed.

REGIONAL SERVICE MODEL RATIONALE

Over the years, there have been a number of examples where a single-provider solution for library delivery has encountered a vendor no longer having the capacity to meet the service demand or had underestimated the capacity need when bidding for a statewide delivery contract. In some states vendors have abandoned their agreements, leaving libraries scrambling for a new service option while materials back up.

The most recent example of vendor abandonment is in New Jersey where the contracted courier for provided LibraryLinkNJ, which manages interlibrary loans statewide and the statewide delivery contract, with 120 days' notice to terminate its agreement to provide delivery to libraries in the state[3].

At the same time, the workgroup does not recommend investing capital in expanding in-house operations in more parts of the state. Circulation has been trending down throughout the country. Though there was rapid delivery volume growth from the beginnings of automated shared catalogs into the first decade of the 2000s, that not only has leveled off, but has slightly decreased in some systems as circulation decreased. This also is the case for statewide delivery as the volume of materials shipped in 2017 through SCLS decreased nearly 29% from its peak in 2006.

The library volume handled by delivery in Wisconsin is not growing but does remain quite substantial and is vital to patron's access to resources at libraries around the state. The workgroup believes a hybrid approach that utilizes multiple vendors along with retaining the current in-house delivery assets will create the most stability for this vital service. The hybrid approach does not eliminate the potential for a region to have a service disruption, but it does mean resource sharing through delivery is not dependent on one provider in the state. In addition, if there is a disruption of service in a region, this recommended statewide coordinated approach allows for flexibility with staff and vehicles to provide service coverage until a service solution is restored.

Having each region serve all libraries within its borders eliminates the current duplication of miles driven and stops made by the statewide delivery service. This regional model does not eliminate any of the delivery arrangements and agreements that currently exist beyond library delivery, such as delivery to senior centers and daycares as well as public libraries that act as informal pick-up and drop-off points for schools. The model provides flexibility to foster more regional partnerships.

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[3] http://librarylinknj.org/delivery/update/14

STATEWIDE REGIONAL HUB CONNECTIONS

The following map shows the recommended model to connect the hubs (starred on the map) of the eight regions once single hubs have been established. While the delivery hubs during implementation will likely coincide with existing system or vendor locations in some regions, delivery hubs in this model are not fixed long-term as the potential for changing vendors through a competitive bid process may impact where a delivery hub is located.
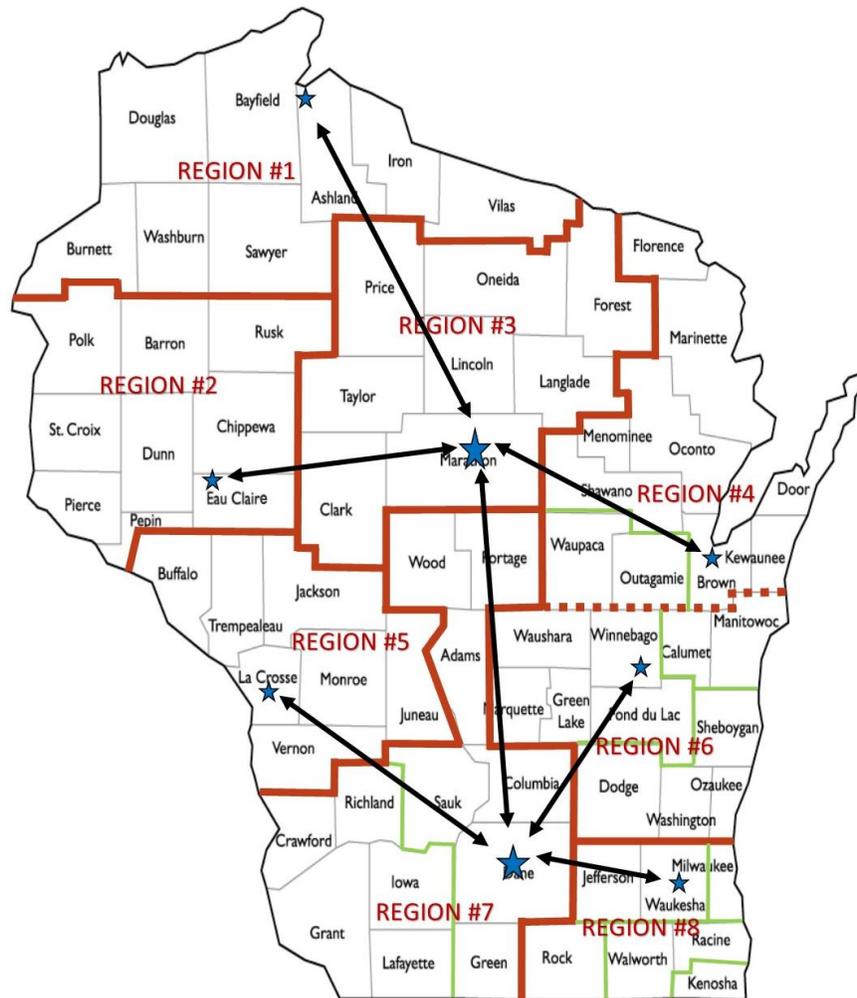
Northern Hubs
- Ideally, regional delivery and sorting in Regions 1, 2, 3 and 4 is completed in time for the arrival of the route that connects the Region's delivery hub to other regional hubs. The hub connection routes from Hubs 1, 2 and 4 are then timed to converge at Hub 3 at approximately the same time.
- These four regions exchange totes of materials with each other, pick up totes for their regions from Regions 5-8 left by the north-south hub connection and leave totes destined for Regions 5-8.

Southern Hubs
- Ideally, regional delivery and sorting in Regions 5, 6, 7 and 4 is completed in time for the arrival of the route that connects the Region's delivery hub to other regional hubs. The hub connection routes from Hubs 5, 6 and 8 are then timed to converge at Hub 7 at approximately the same time.
- These four regions exchange totes of materials with each other, pick up totes for their regions from Regions 1-4 picked up by the north-south hub connection and leave totes destined for Regions 1-4.

North-South Hub connection
- Each day, Region 7's route that serves libraries in Portage County will also go to Region 3's hub to exchange totes going between Regions 1-4 and Regions 5-8.
- This hub connection model does mean that items going between any hub in Regions 1-4 to any hub in Regions 5-8 will be a two-day transit time.

Over the course of the workgroup's development of this new delivery model, a number of models to connect hubs were considered. There are options that the workgroup modeled that could achieve next morning delivery between all hubs in order to have materials from all regions arrive in any single region before routes to deliver to libraries in a region depart.

The workgroup believes it is only through phased implementation that the best options for connecting hubs, both to create the fastest transit times between all hubs and create connections that are cost effective, will be determined. As previously noted, the request for information the workgroup sent out to vendors did not result in useful information to determine vendors' ability to make these hub connections.

It does need to be noted that next day service between two hub locations which are a significant distance from each other does not always equate to a higher cost. The current connection between the SCLS Delivery facility and Minitex is funded equally by Minitex and DPI for a total of about $12,000 per year. According to SCLS Delivery volume data, approximately 72,000 items are shipped from one location to another each year. The cost equates to about $0.08 an item. Half as much as the $0.16 per item shipped cost that exists within the current system delivery services shipping a high volume of materials within all the system borders.

Both of these costs are an incredible value when you consider that the current postage rate for a letter is $0.50. The low per item rate for shipping an item from Madison to Minneapolis through the courier is achieved through a conjunctive delivery model, where the library

materials are shipped in a vehicle with goods for other delivery customers, thus, sharing the cost of that "ride".

STATEWIDE HUB CONNECTION MODEL RATIONALE
1. Eliminates the need for a central sorting location for statewide delivery, which in turn eliminates one additional sort of items shipped through statewide delivery along with space and related costs for the central sorting location.
2. Minimizes the effect of inclement weather on delivery so service between hubs is not impacted by weather in other parts of the state.
3. Eliminates an item marked for delivery to a neighboring county traveling to the statewide central sorting facility in Madison first.

A STATEWIDE MULTI-TYPE LIBRARY SERVICE PARTNERSHIP
The workgroup recognizes that non-public libraries in the state are a key partner in the current statewide delivery network, especially from a cost sharing perspective and particularly the University of Wisconsin and its desire for 5-day delivery to all its campuses. The UW System is also working to identify ways it can both improve service by returning 5-day per week delivery to its campuses and in a way that is more cost-effective.

A goal of redesigning the statewide delivery network is to help ensure the partnership continues to provide stable and affordable delivery support for resource sharing to all libraries in Wisconsin. The delivery model is flexible to accommodate school year and summer schedules. In addition, while the model no longer would have a single provider directly connecting UW campuses, it seeks to ensure the continuation of this partnership by working with the UW System and Wisconsin Historical Society to identify how delivery service for the Area Research Centers can continue in the new model.

IMPROVED TRANSIT TIMES THROUGH BETTER LOGISTICS
The following two transit time scenarios show how transit times can be improved in the proposed model.

Scenario 1:
Library in Region 2 with Monday, Wednesday and Friday delivery sends an item to a library in Region 4 with the same 3-day delivery schedule.

Total item transit time from being ready at the sending library to being delivered to the receiving library is four days. The item is sorted three times.

Monday
- Item is ready at the sending library and picked by the system delivery service in Region 2.
- The item is sorted and placed in a delivery tote to be picked up by the statewide delivery service the next day.

Tuesday
- The statewide delivery service picks up the item on its route to the system in Region 2 and brings it back to its hub in Madison in Region 7.
- The item is sorted again and placed in a delivery tote to be delivered by the statewide delivery service the next day to the system hub in Region 4 that serves the receiving library.

Wednesday
- The system hub in Region 4 that serves the receiving library receives the item from statewide delivery.
- The item is sorted and placed in a delivery tote to be delivered to the receiving library the next day it gets delivery service.

Thursday
- Receiving library does not receive delivery this day.

Friday
- The system hub that serves the receiving library delivers the item to the library.

New Model

Total item transit time from being ready at the sending library to being delivered to the receiving library is two days. The item is sorted twice.

Monday
- Item is ready at the sending library and picked by the system delivery service in Region 2.
- The item is sorted and placed in a delivery tote to be shipped to the Region 4 hub.
- The item is shipped to Region 4, via the connection of the northern hubs at the Region 3 hub.

Tuesday
- The Region 4 hub sorts the item and places it in a delivery tote to be delivered to the receiving library the next day it gets delivery service.

Wednesday
- Region 4 service hub delivers the item to the library.

Scenario 2:
Library in Region 8 with Monday through Friday delivery sends an item to another library in Region 8 with the same 5-day delivery schedule, however these libraries are currently in two different systems that do not exchange delivery directly between each other.

Current Model

Total item transit time from being ready at the sending library to being delivered to the receiving library is three days. The item is sorted three times.

Monday
- Item is ready at the sending library and picked by the system delivery service in Region 8.
- The item is sorted and placed in a delivery tote to be picked up by the statewide delivery service the next day.

Tuesday
- The statewide delivery service picks up the item on its route to the system in Region 8 and brings it back to its hub in Madison in Region 7.
- The item is sorted again and placed in a delivery tote to be delivered by the statewide delivery service the next day to the system hub in Region 8 that serves the receiving library.

Wednesday
- The system hub that serves the receiving library receives the item from statewide delivery.
- The item is sorted and placed in a delivery tote to be delivered to the receiving library the next day it gets delivery service.

Thursday
- The system hub that serves the receiving library delivers the item to the library.

New Model

Total item transit time from being ready at the sending library to being delivered to the receiving library is one day. The item is sorted once.

Monday
- Item is ready at the sending library and picked by the Region 8 delivery service.
- The item is sorted by at the single hub location in the region and placed in a delivery tote for delivery to the receiving library the next day it receives delivery.

Tuesday
- Region 8 service hub delivers the item to the library.

As previously noted, delivery between libraries in northern hubs to libraries in the southern hubs will result in an extra day transit time. However, there are options that might be determined feasible during implementation which will speed up transit time to be next day between any two libraries in the new model, if they are receiving 5-day per week regional delivery service.

This third scenario demonstrates how the new north-south hub connection has a similar transit time to what exists now.

Scenario 3:
Library in Region 2 with Monday through Friday delivery sends an item to a library in Region 7 with the same 5-day delivery schedule.

<u>Current Model</u>
Total item transit time from being ready at the sending library to being delivered to the receiving library is three days. The item is sorted three times.

Monday
- Item is ready at the sending library and picked by the system delivery service in Region 2.
- The item is sorted and placed in a delivery tote to be picked up by the statewide delivery service the next day.

Tuesday
- The statewide delivery service picks up the item on its route to the system in Region 2 and brings it back to its hub in Madison in Region 7.
- The item is sorted again and placed in a delivery tote to be delivered by the statewide delivery service the next day to the system hub in Region 8 that serves the receiving library.

Wednesday
- The system hub in Region 8 that serves the receiving library receives the item from statewide delivery.
- The item is sorted and placed in a delivery tote to be delivered to the receiving library the next day it gets delivery service.

Thursday
- The system hub that serves the receiving library delivers the item to the library.

New Model

Total transit time from being ready at the sending library to being delivered to the receiving library is three days. The item is sorted twice.

Monday
- Item is ready at the sending library and picked by the system delivery service in Region 2.
- The item is sorted and placed in a delivery tote to be shipped to the Region 3 hub for pick up the next day via Region 3 hub (north) and Region 7 (south) hub connection route.

Tuesday
- The tote with the item destined for Region 8 is transported from the Region 3 hub to the Region 7 hub.

Wednesday
- The tote with the item is shipped to Region 8, via the connection of the southern hubs at the Region 7 hub.

Thursday
- Region 8 service hub delivers the item to the library.

SERVICE STANDARDS

The workgroup recommends the following delivery service standards:
- Access to 5-day delivery for all libraries
- All items picked up in regions will be sorted the day of pick-up in time to transfer to a statewide delivery connection
- Consistent delivery times at libraries
- Next day delivery between two libraries in the same region, unless the receiving library is not open
- Connection between statewide regional hubs accomplished in a one to two weekday window
- Reasonable damage protection and resolution

- Simplified, efficient labeling
- Incrementally, internal delivery supplies, labels and delivery totes and equipment to best fit local need are standardized to increase statewide purchasing power
- Able to accommodate delivery of other types of items in support of other coordinated services to libraries (various kits, equipment and centrally purchased materials) and other technology service needs (e.g. computers)
- Specialized and trackable delivery of certain materials in support of digitization and/or archival collections, including specialized containers if needed
- A single point of contact for each delivery region for questions, requests, assistance and information that can be contacted by phone and email
- A central online location for information with all regional and statewide delivery information
- Delivery services, whether in-house or contracted, will be bonded and insured

FUTURE READY

Delivery has the ability to help improve the effectiveness of other coordinated services to libraries and improve staff efficiencies at libraries. This model does not prescribe specific ideas to be implemented immediately. Improvements and innovations can happen better within a delivery service structure that allows for a more connected and statewide approach to piloting new ideas, learning from data gathering and cost analysis. The workgroup identified the following potential opportunities:

1. Automated Materials Handling (AMH) and Radio Frequency Identification (RFID)
   a. Currently, the SHARE consortium is testing new sorting methods and ways to integrate delivery sorting to help Kenosha Public Library best utilize their RFID automated materials handling system.
   b. While the return on investment of automating sorting at central delivery sorting sites is questionable[4], regional sorting sites equipped with AMH might result in savings for libraries. The ability for a library to do a single scan of a tote to check in returned delivery materials using RFID, instead of checking the items in individually, has the potential to save a significant amount of staff time across the state.
2. Delivery sorting hubs could be:
   a. Locations to store shared collections, such as infrequently used or last copy items that could be accessible for discovery and request by patrons without taking up

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[4] Horton, Valerie. Smith, Bruce (2010). Moving Materials: Physical Delivery in Libraries. ALA Editions. Chicago, Ill.: American Library Association

space at libraries. In addition, rotating kits, like those for makerspace activities or computer labs can be stored at a delivery hub for libraries to request to use.

    b. Regionally centralized sites for mailing interlibrary loan materials.

    c. Sites for printing services to libraries.

3. Connection to other states delivery services as currently happens with Minitex. Region 8 in the Southeast corner of the state would be an ideal connection point to Illinois library delivery and beyond to other Great Lakes states.

FEEDBACK POINTS AND MODEL REFINEMENT

In addition to feedback at the various conferences and other points during the last two years, as detailed in the project manager report, the workgroup shared a report draft with their review panel, composed of the following people.

- Andy Barnett – McMillan Public Library (Wisconsin Rapids)
- Amy Birtel – Monarch Library System
- Fred Finch – Minitex
- Jeff Gilderson-Duwe – Oshkosh Public Library/Winnefox Library System
- Connie Griseto, Rebecca Peterson and Margie Verhelst – Manitowoc-Calumet Library System
- Peter Hamon – South Central Library System (Retired)
- Augo Hildebrand – Wisconsin Valley Library Service
- Benjamin Miller – Department of Public Instruction
- Steve Platteter – Arrowhead Library System
- John Pollitz – Southern Illinois University (formerly UW-Eau Claire)
- Krista Ross – SELCO Library System in Minnesota (formerly Southwest Wisconsin Library System)

The following are the main areas the workgroup addressed from the feedback they received.

1. This model started with an ideal delivery region map that has been adapted to fit the existing realities of current ILS regions.
2. It has been frequently mentioned to the workgroup that not every library needs or may want 5-day per week delivery service. The establishment of the idea of a standard of 5-day per week delivery service is in the System and Resource Library Administrators' Association of Wisconsin (SRLAAW) – Creating Effective Systems report[5]. The

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[5] SRLAAW, Creating More Effective Library Systems, http://srlaaw.org/reports/2013Process, last accessed 2/21/2018.

recommendation of this workgroup is not that 5-day per week service is mandated, but this model is designed with the intent to increase the accessibility to 5-day delivery service for any library in the state.

3. While the ideal model has regional delivery within a certain time window to allow for overnight hub connections to provide the delivery infrastructure for next-day delivery, the recommended model and implementation path factors in that the capacity for this may not exist or may not be cost effective. However, much of the ability to speed up transit time can be done with better logistical coordination that does not require paying for a premium level of service.

4. Feedback was provided about whether this will be an all-or-nothing approach. The implementation recommendations address this by taking a strategic, phased approach to implementing the model on a region-by-region basis in order to serve as a proof of concept, better monitor costs and establish standards and expectations.

5. Further clarifications were made regarding the staffing model and the initial five-year implementation plan.

STAFFING MODEL

The following is an organizational staffing chart of the delivery service model.
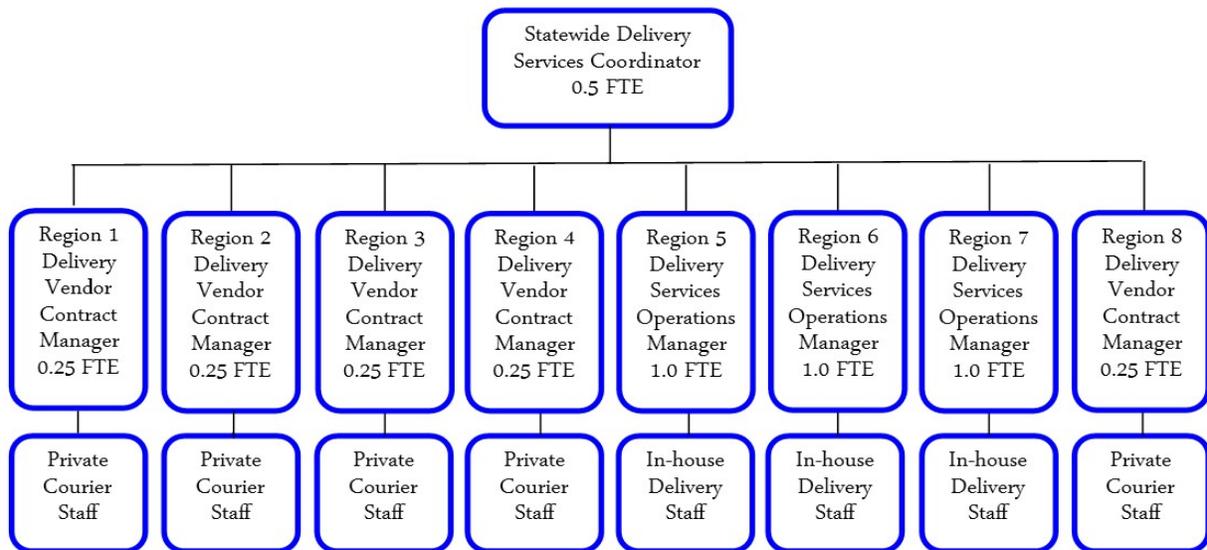
The Statewide Delivery Services Coordinator, Regional Delivery Operations Managers and Regional Delivery Vendor Contract Managers function together as the statewide delivery services management team. The workgroup envisions these as separate positions. The workgroup did discuss having the statewide coordinator also be one of the regional managers

and combining the 0.25 FTE regional vendor contract manager positions to be filled by fewer people.

The workgroup decided it is important to have the statewide coordinator separate from the regional delivery services to be able to most objectively provide oversight and assessment of the statewide delivery model. Also, the workgroup discussed the size of the regions and thought single contacts for the regions is best for service to the libraries. Currently, in systems contracting with a vendor, a delivery vendor contract manager role is often filled by a system staff member that also is responsible for ILL.

The private courier staff (drivers and sorters) model is, obviously, the choice of the vendor. During the initial five-year implementation phase, the number of in-house delivery staff (drivers and sorters) will be determined by the regions in-house delivery services operations manager in a manner that is most cost efficient and effective. The budget for this staff is included in the regional delivery costs as shown in the *Budget* section. As detailed in the *Implementation Recommendations* section, after the initial implementation phase, all regions will go through a competitive bid process to determine providers for the next five-year delivery period.

Statewide delivery services management team responsibilities:
- Maintain the cost effectiveness, equity and efficiency of regional delivery services to libraries across the state and the delivery connections of the regional delivery hubs
- Develop regional and statewide delivery services budget
- Establish delivery service data gathering procedures and analysis for assessing trends and effectiveness of the delivery service model
- Develop procedural standards and training for library staff who interact with the delivery service
- Develop delivery service and safety standards, best practices and training for delivery staff
- Establish delivery service procurement standards, including requests for proposals and vendor contracts

Statewide Delivery Services Coordinator responsibilities:
- Coordinate all activities of the statewide delivery services management team.
- Manage, in coordination with administrative financial support, delivery services budget
- Centralize purchasing and contracting
- Maintain an online statewide clearinghouse of delivery services resource information for libraries
- Connect to the other services, especially ILL and ILS

Regional Delivery Operations Manager responsibilities:
- Manage operations for delivery service to libraries in the region, including:
  - Manage delivery personnel, in coordination with the Statewide Delivery Services Coordinator and administrative human resources support
  - Manage regional delivery services budget, in coordination with the Statewide Delivery Services Coordinator and administrative financial support
  - Maintain and coordinate supply and equipment needs for delivery operations and libraries in the region

Regional Delivery Vendor Contract Manager responsibilities:
- Manage vendor service and contract for delivery service to libraries in the region, including:
  - Facilitate communication between the contracted delivery service and libraries
  - Manage regional delivery services budget, in coordination with the Statewide Delivery Services Coordinator and administrative human resources support
  - Maintain and coordinate delivery supply needs with the contracted delivery service provider and libraries in the region

WHY THIS MODEL

The workgroup considered different organizational models and decided upon a statewide coordinated organizational model, which will provide flexibility and accountability to do the following:

- Effectively and efficiently allocate delivery capacities, resources and assets to support and maintain equitable delivery services across the state regardless of regional borders.
- Allow delivery service regions to be recalibrated as needed to support the demand for resource sharing between libraries and be aligned according to logistics as regional ILS consortia and systems for statewide discovery of materials innovate and evolve.
- Lessen barriers for other types of libraries and organizations to participate in the delivery network by providing a clear understanding of the pricing for the service and the ability for them to procure the delivery services they need for their institution or organization via a single contract.
- Ensure transparency of the actual cost of regional delivery service and the statewide service to connect regions.

ESTIMATED BUDGET

REGIONAL DELIVERY

The workgroup used the following sources to calculate current system average per stop regional delivery costs.

- Total 2017 budgeted delivery costs for each of the current public library systems as gathered by the PLSR Funding and Cost Standards Subcommittee.
- Total number of stops each system reported it makes to its member libraries and other types of libraries the system provides delivery to on a regular weekly basis as part of its budgeted delivery costs.

Based on the information gathered, the average per stop delivery costs for system delivery services as budgeted in 2017 are shown in the following table. Kenosha County Library System is not factored into this calculation.

	Total delivery cost	Total number of annual delivery stops	Average per stop delivery cost
In-house	$ 1,515,073	54,340	$ 27.88
Vendor	$ 1,449,738	52,529	$ 27.60

As shown above, the cost per stop, on average, is very similar across the state whether a system-operated in-house delivery service or contracted with a private courier. Because these are proven current market costs, the workgroup decided to use this as the base for establishing a total estimated cost to provide regional delivery service to both public libraries and non-public libraries, at the current number of days per week all are receiving.

With this information, the delivery workgroup used an average delivery cost of $29.00 for determining estimated delivery costs for regional delivery service to libraries in the proposed model.

	Per stop cost	Annual public library stops	Annual non-public library stops	Total annual stops	Total public library cost	Total non-public library cost	Total regional cost
Region 1	$ 29.00	4,732	312	5,044	$ 137,228	$ 9,048	$ 146,276
Region 2	$ 29.00	9,412	988	10,400	$ 272,948	$ 28,652	$ 301,600

Region 3	$ 29.00	7,228	208	7,436	$ 209,612	$ 6,032	$ 215,644
Region 4	$ 29.00	12,697	1,352	14,049	$ 368,213	$ 39,208	$ 407,421
Region 5	$ 29.00	7,904	1,508	9,412	$ 229,216	$ 43,732	$ 272,948
Region 6	$ 29.00	15,392	2,340	17,732	$ 446,368	$ 67,860	$ 514,228
Region 7	$ 29.00	23,920	12,220	36,140	$ 693,680	$ 354,380	$ 1,048,060
Region 8	$ 29.00	21,372	3,692	25,064	$ 619,788	$ 107,068	$ 726,856
TOTALS		102,657	22,620	125,277	$ 2,977,053	$ 655,980	$ 3,633,033

In implementation actual regional per stop costs will vary, as they currently do, based on actual local pricing for each region as the model is implemented and, in the future, when regional delivery services are put out for competitive bid. The workgroup is confident in the overall total as a solid estimated amount for regional delivery service in this model.

Additional information regarding these regional delivery service cost estimates:

- As a statewide delivery services management team, the model envisions the regional delivery operations and vendor contract managers at the same salary level, which would be equal to a consultant level position as has been calculated by the continuing education and consulting workgroup. The total regional delivery costs include the regional managers' compensation and all other delivery related costs (vehicles, facility, etc.) related to providing delivery to the libraries and sorting, whether an in-house delivery service or provided by a contracted courier.
- Delivery to current system headquarters is not included in the total number of stops for each region. The number and location of any administrative or coordinated service offices will be determined by the Steering Committee. Using the same per stop cost, providing delivery to the current system headquarters (16) would cost $120,640.
- The annual stop totals only include regular weekly stops made to member public libraries and non-public libraries that either currently receive delivery from one of the current public library delivery services or the statewide delivery service provided by SCLS Delivery. While the stop totals for each region do not include monthly stops to drop off deposit collections or special request, on-call delivery stops, the per stop calculation of $29.00 is based on current actual costs which include the cost of providing delivery to these locations and are therefore covered in the regional delivery estimates.

ACCESS TO 5-DAY DELIVERY

The following pricing table shows the number of additional stops needed to achieve a 3-day, 4-day and 5-day delivery in each region for libraries that currently do not receive Monday through Friday delivery service. Not all libraries need or will want 5-day per week service. In fact, some libraries will always just need one, two or three days a week delivery due to very limited open hours. The intent is to provide an estimated range of costs for increasing service frequency to provide all libraries with access to increased delivery service if they need or want it.

Currently in systems there is a spectrum of funding arrangements. Some use their public library system state aid to fully fund their delivery service at five days per week for all libraries and in some systems delivery is funded by a combination of state aid and fees to libraries and counties. The Steering Committee will determine funding recommendations for services during their recommendation development process.

The following table of estimated costs to increase frequency shows:

- Current weekly average number of stops a public library location receives in the region
- Stops per week needed to bring all public library locations in a region to 3-day, 4-day and 5-day levels of service
- Estimated cost per region to bring all public library locations up to 3-day, 4-day and 5-day levels of service

	Current average number of stops per week per location	Additional stops needed for 3-day service	Estimated cost for additional stops for 3-day service	Additional stops needed for 4-day service	Estimated cost for additional stops for 4-day service	Additional stops needed for 5-day service	Estimated cost for additional stops for 5-day service
Region 1	2.79	8	$ 12,064	35	$ 52,780	62	$ 93,496
Region 2	3.55	6	$ 9,048	34	$ 51,272	73	$ 110,084
Region 3	3.56	4	$ 6,032	29	$ 43,732	58	$ 87,464
Region 4	4.06	11	$ 16,588	36	$ 54,288	62	$ 93,496
Region 5	3.90	2	$ 3,016	4	$ 6,032	43	$ 64,844

Region 6	4.41	1	$ 1,508	19	$ 28,652	44	$ 66,352
Region 7	4.41	1	$ 1,508	37	$ 55,796	75	$ 113,100
Region 8	4.99	0	$ -	0	$ -	1	$ 1,508
	TOTALS	33	$ 49,764	194	$ 292,552	418	$ 630,344

STATEWIDE DELIVERY

In the new regional hub connection model, the workgroup has identified a northern and southern hub connection design that requires the following eight delivery connections to link all libraries in the state and maintain the connection with Minitex.

- Region 7 to Region 3 (North-South connection) – via Region 3 in-house delivery service
- Region 1 to North Hub – via contracted courier
- Region 2 to North Hub – via contracted courier
- Region 4 to North Hub – via contracted courier
- Region 5 to South Hub – to be determined by bid process
- Region 6 to South Hub – to be determined by bid process
- Region 8 to South Hub – to be determined by bid process
- Region 2 to Minitex – via contracted courier

This regional hub connection model will require 2,080 deliveries between the eight locations each year. Based on a conservative per stop estimate of $75.00 per delivery between hub locations and allowances for fuel surcharges as part of the contracted price, the workgroup estimates a cost of $150,000 per year for this portion of statewide delivery.
The other cost for statewide delivery is compensation for the half-time Statewide Delivery Service Coordinator position. Based on averages of similar existing positions in library systems, the estimated total, including benefits, is $45,000.

The total cost to coordinate and connect libraries across regions in the new statewide hub connection model is $195,000.

ESTIMATED BUDGET SUMMARY

In many systems and certainly through the statewide delivery network, library delivery services in Wisconsin are a true collaboration between all types of libraries. It is also a great example of pooling resources together to increase purchasing power and achieve a greater economy of scale. Because the combined nature of this service includes non-public library partners, the following cost information is provided.

The following table shows the funding sources and levels for current delivery service connections that exist regionally and statewide.

2017 Budgeted	Public library system state aid and DPI	Fees to public libraries and counties	LSTA grant funds to public library systems	Fees to non-public library participants	TOTALS
Regional delivery	$ 2,293,156	$ 592,781	$ 15,000	$ 63,462	$ 2,964,399
SHARE connection	$ 21,600				$ 21,600
Statewide delivery	$ 221,313		$ 75,000	$ 998,266	$ 1,294,579
Minitex connection	$ 6,000				$ 6,000
TOTALS	$ 2,542,069	$ 592,781	$ 90,000	$ 1,061,728	$ 4,286,578

Additional information about the above table:

- DPI funding only covers the cost of the Minitex connection in the public library system state aid and DPI funding column.
- Kenosha County Library System (KCLS) does not fund delivery to their member library locations out of their system budget. Rather this is funded by the Kenosha Public Library. Thus, their regional delivery cost is not included in the state aid amount. The KCLS share for participating in the statewide delivery network and the SHARE connection is included in the state aid amounts.

The following comparison table is based on libraries receiving the same frequency of service each week as they currently do, whether from their regional system delivery service or SCLS Delivery on statewide routes. The exception to service frequency being the same is the estimated new hub connection costs include those delivery exchanges between regions happening Monday through Friday versus the current 4-day statewide delivery routes.

This table shows the current public library and non-public library cost shares for regional and statewide delivery service in comparison to the estimated costs of the proposed service model.

Current			
	Regional	State	Total
Public library share	$ 2,922,537	$ 302,313	$ 3,224,850
Non-public library share	$ 63,462	$ 998,266	$1,061,728
TOTALS	$2,985,999	$1,300,579	$4,286,578
New Model			
	Regional	Statewide	Total
Public library share	$ 2,977,053	$ 96,384	$ 3,073,437
Non-public library share	$ 655,980	$ 96,384	$ 752,364
TOTALS	$ 3,633,033	$ 192,768	$ 3,825,801
Change from current to new model			
	Regional	Statewide	Total
Public library share	$ 54,516	$ (205,929)	$ (151,413)
Non-public library share	$ 592,518	$ (901,882)	$ (309,364)
TOTALS	$ 647,034	$ (1,107,811)	$ (460,777)

Additional information about the above table:

- An estimated cost of regional delivery service to the member library locations in the Kenosha County Library System is included in the new model
- For the purpose of this cost estimate, the public library and non-public library cost shares for new model's statewide delivery costs are divided equally. The workgroup believes cost shares for this will be based on the share of volume transported on the hub connection routes. By consolidating some regions, some libraries that currently ship to each other through the statewide delivery service will now be connected through their regional hub. It is expected this will lower the number of materials traveling between regions than what is shipped between systems now. The new statewide volume shares will be part of data gathering during the implementation process to have actual statistics to calculate shares of statewide delivery costs.

MODIFICATIONS THAT CAN BE MADE BASED ON BUDGET CONSIDERATIONS

The model calls for initial implementation at the existing service frequencies, however, the recommendation is that all libraries have access to delivery each weekday they are open to the public. As shown in the table of estimated costs to increase frequency, there is a price to making this happen.

Due to the delivery volume at some libraries and the need for cost-effective route solutions to manage the delivery workflow, a certain level of delivery frequency for some libraries is logistically necessary, including 6-day per week service and at some locations twice-per-day service on some days of the week. This delivery model does not decrease the frequency of delivery that any library is currently receiving.

The frequency of delivery is the main factor for delivery costs. Increasing frequency for those that need or want it can add the following service value to libraries and patrons:

- It will provide increased equity of service by increasing service frequency for libraries in systems that struggle to maintain even minimally three days of service to their libraries, due to funding levels.
- Faster delivery transit times increases the turnover rate for an item to better meet demand.
- Allows for better delivery management of volume on routes.

IMPLEMENTATION RECOMMENDATIONS

The workgroup recommends a five-year implementation plan to form the new delivery service regions with a singular regional hub as the connection point to the statewide delivery hub network.

YEARS ONE AND TWO

Facilitate the formation of the new delivery regions in cooperation and coordination with the existing system delivery service(s) within each of the new regions. Specifically, the workgroup recommends targeting the development of a few regions to establish initial core statewide hub connections between regions in the south and north of the new model and, through this incremental implementation process, measure the feasibility of the new model through data gathering, cost analysis and determination of standards.

1. Establish and hire for the position of Statewide Delivery Services Coordinator to oversee implementation of the new service model.
2. Work with systems in the following regions to coordinate development of the new regional service model and establish a single hub for connecting to other regional hubs.
    a. Region 8
        i. All library locations but one branch in Kenosha County currently receive 5-day per week service, which provides the opportunity to monitor costs to analyze changes from the transition to libraries in the region currently on statewide routes being served by regional routes and to establish a single hub to connect to other regions.
        ii. Three of the five systems have already developed a single hub connection for their system delivery services since they are part of the same automated shared catalog (ILS). In addition, the Bridges Library System recently expanded their delivery when Jefferson County joined their library system. This provides existing information and learning opportunities for how a region with multiple library systems can combine into a single region for delivery service, including establishing a connection from wherever the single regional hub is established in this region to the delivery hub for Region 7 (south).
    b. Regions 1, 2, 3 and 5
        i. These regions currently are a single system delivery service with a single delivery hub. Regions 2 and 3 currently contract with the same delivery service vendor, while Region 1 contracts with a different vendor and Region 5 is an in-house delivery service.
        ii. During this time, these regions transition to providing delivery to libraries within their region that currently get delivery from the statewide delivery service. Because they are currently single service, single hub regions, it also allows the exploration of different options for connecting these hubs to the Region 3 (north) and Region 7 (south) Hubs.
    c. Region 7
        i. Establish route connection to Region 3 (north) Hub. This connection, combined with the establishment of single hubs in Regions 1, 2, 3, 5 and 8 to either Region 3 (north) or Region 7 (south) will create the delivery connection from the far northwest corner of the state to the far southeast corner. Establishing these connections allow for cost analysis of statewide hub connection along with a clear understanding of logistical capacities to connect regions and libraries in this new model to achieve faster transit times through better-coordinated delivery logistics.

> ii. During this time, the two systems within this region will work cooperatively to explore how to coordinate delivery together as a single region.
>
> d. Regions 4 and 6
>
> > i. These are the two regions separated by a dotted line on the model's proposed region map. Any final determination of borders for delivery services in these two regions will be informed by any potential changes that happen in regards to ILS consortia in the current systems in these regions. This initial implementation phase allows time for the landscape of resource sharing in these two regions to become more clear before determining and implementing new delivery service regions in this part of the state.

YEARS THREE AND FOUR

Years three and four of the implementation plan will be when adjustments are made the recommended model, based on information gathered and assessed during the first phase of implementation. In addition, cooperative steps will be taken to establish the transition to the new model based on what is determined for Regions 4 and 6.

YEAR FIVE

Assessment of all data gathered and cost analysis of the new model. Based on this assessment, a competitive bid process will be designed for delivery services for all regions and the statewide hub connections to determine the service provider model for years six to 10.

EVALUATION OF RECOMMENDATIONS DURING AND AFTER IMPLEMENTATION

The following assessments and metrics will be used to evaluate the delivery service model:

- Cost analysis of implementation using 2017 delivery costs as gathered by the PLSR Funding and Cost Standards Subcommittee as a base reference. Cost per stop will be the main standard for analysis.
- Cost analysis of any bid process for regional delivery services and statewide hub connections based on information gathered during the first four years of implementation. Cost per stop will be the main standard for analysis.
- Other delivery efficiency and effectiveness improvement measurements that will be assessed.

- Study of delivery volume transported regionally and via the statewide hub network to determine if more items move regionally and fewer across regions, lessening the overall distance traveled by items.
- Transit time between libraries within regions and libraries in different regions as a measurement of service improvement.
- Average stops made per week at public library locations in each region as a measurement of equity improvement.

IMPLEMENTATION CHALLENGES

SCLS DELIVERY

The statewide delivery network exists due to the South Central Library System's work to establish it beginning in the early 1990's. As the statewide delivery service has evolved and grown, it required SCLS to locate to a sufficiently sized facility for the service's headquarters and develop an internal management structure to support both the statewide service and SCLS's delivery service to its member libraries. A portion of SCLS overhead costs for the facility, management and other administrative overhead has been factored into the costs for statewide delivery participation.

The model ideally sees the regional and the statewide regional hub connection model funded and coordinated as a single statewide delivery service. This is a significant change from the current model and will not occur immediately. The transition is recommended to be phased in over the first five years. A good portion of the SCLS Delivery overhead costs will not be reduced in the same proportion as any reduction in revenue to SCLS as the new model is phased in. Thus, there will need to be careful consideration of the impact on SCLS as any funding model changes take effect during implementation.

SERVICE STABILITY

The workgroup strongly believes, based on the vital support role of delivery to statewide resource sharing and the experiences of other states with vendors not fulfilling contract obligations, that a hybrid approach of contracted vendors and in-house delivery operations is the best model for a stable delivery service. The workgroup recommends that any competitive bid processes would not make final decisions of service providers based on cost alone. The average per stop costs that currently exist in the state is essentially equal between the systems utilizing a contracted delivery service and those operating an in-house service. The workgroup believes that a balanced approach to maintain service stability can be done in a way that is also most cost effective.

GOVERNANCE RECOMMENDATIONS

The workgroup envisions a statewide delivery advisory council made up of public library representatives from libraries of different sizes and regions and representatives from other library types participating in the delivery network. This council will work in collaboration with the statewide delivery services management team to provide direction, oversight and accountability of the service.

This group would address and oversee areas such as:
- Service equity and standards
- Competitive bid processes and procurement standards
- Annual service plan and budget development and recommendations
- Regular assessment of the delivery service model
- Cost-sharing decisions for participation in the delivery network by non-public library participants
- Integration and coordination with other coordinated services to libraries

GLOSSARY

- **Hub** – The location/facility where regional delivery services are headquartered. For a system-operated service, this could be the same location as their administrative headquarters. For a contracted service, this is the private courier's facility. Typically, material sorting and the delivery operations, vehicles and drivers, are located at the hub but that is not always the case.
- **ILL** – ILL is interlibrary loan which a system in which one library borrows a book from another library for the use of an individual. The majority of materials shipped through statewide delivery are managed through interlibrary loan
- **ILS** – ILS stands for integrated library system. Also known as a library management system (LMS), this an automated, online system that allows patrons to discover and request items easily and libraries to track their materials and what patrons have checked out.
- **Items/materials** – Typical library materials shipped through delivery such as print, audio and video materials (books, CDs, DVDs, etc.).
- **Intersystem delivery** – delivery of materials from a library in one public library system to a library in another system.
- **In-house/system-operated delivery** – These are delivery operations that are managed and operated by public library system staff. The public library system owns the assets, including vehicles, to provide this service.
- **Private courier/vendor** – These are delivery operations that are privately operated and provide service to library systems on a contracted basis.
- **Tote** – a standard shipping container used in most library systems to transport materials through delivery.