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## Towards the Collective Collection: Lessons Learned from PALCI's DDA Pilot Projects and Next Steps

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## Towards the Collective Collection: Lessons Learned from PALCI's DDA Pilot Projects and Next Steps

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### Abstract

The Pennsylvania Academic Library Consortium, Inc. (PALCI) developed demand-driven acquisition (DDA) programs to facilitate resource sharing of e-monographs and to build collective ebook collections thereby complementing E-ZBorrow, the consortium's print-based ILL service. Committed to perpetual ownership, PALCI's programs deliberately eschewed aggregator models with STL (short term lease/loan) thresholds in favor of purchasing upon the first substantial use at a negotiated multiplier. This unique approach to consortial DDA resulted in hundreds of titles triggered for purchase, many of which experienced post-purchase usage across the membership. It also resulted in irregular starts and stops and workflow frustrations illustrating challenges related to funding and communication. This article is intended to add an important case study to the literature on consortial DDA through a critical evaluation of PALCI's programs with ebrary, EBSCO, and JSTOR. Perhaps more importantly, it is intended to inform consortial stakeholders about decisions to replicate (or not) PALCI's programs in an effort to repeat successes and avoid past failures.

Keywords: Demand-driven acquisition, consortial DDA, PALCI, contribution models

### Introduction

The Pennsylvania Academic Library Consortium, Inc. (PALCI) developed its demand-driven acquisition (DDA) programs to build shared collections of ebooks facilitating resource sharing of e-monographs, and thereby complementing E-ZBorrow, the consortium's long-running print-based interlibrary loan (ILL) service. In October 2012, PALCI convened a five-member Ebooks Task Force (EBTF) to explore the feasibility of developing a consortial DDA program with 69 member institutions, including small private liberal arts schools, medium-size state universities, and large research focused institutions, with FTEs ranging from 300-85,000.

PALCI's DDA journey began with two opt-in pilot programs with ebrary and EBSCO in February 2014. In both, DDA discovery pools were populated by publication and imprint year; YBP performed light, non-subject parameter profiling and administrative duties. Committed to perpetual ownership, PALCI's programs deliberately eschewed aggregator models with short term loan (STL) thresholds in favor of purchasing upon the first substantial use at a negotiated multiplier. This unique approach to consortial DDA resulted in hundreds of titles triggered for purchase, many of which experienced post-purchase usage across the membership. It also re-



sulted in irregular starts and stops and workflow frustrations illustrating challenges related to funding and communication. The development of equitable and sustainable contribution formulas posed additional challenges, as did the often insufficient and/or irregular usage statistics and purchase data reporting available.

In an effort to expand its collection building efforts and experiment with a more access-focused approach, PALCI implemented a third all-in, centrally funded DDA pilot with Books at JSTOR in February 2015. The JSTOR program provided PALCI members with full access to the approximately 30,000 (now closer to 40,000) titles included in the Books at JSTOR corpus, with unlimited simultaneous user access. As titles were triggered, PALCI purchased an unlimited use copy on behalf of each participating library at a significantly discounted rate, i.e., 69 unlimited use copies were purchased for 69 participating pilot libraries. JSTOR was attractive to the membership for its extremely liberal digital rights management (DRM), high usage thresholds prior to purchase, and reputation, as well as its resource integration among the membership. The JSTOR program resulted in significantly fewer title purchases relative to other PALCI DDA programs, but offered access to a much larger corpus of ebooks over a longer period of time.

The following article is intended to add an important case study to the literature on consortial DDA through a critical evaluation of PALCI's programs with ebrary, EBSCO, and JSTOR. Perhaps more importantly, it is intended to inform consortium stakeholders about decisions to replicate (or not) PALCI's programs in an effort to repeat successes and avoid past failures.

### Consortial DDA Landscape

Though a fair amount has been written on local/individual DDA programs, the limited scope of *published* articles, book chapters, and

monographs on consortial DDA presents research obstacles to the traditional literature review. The endeavor requires a bit more sleuthing—for example, sifting through Charleston Conference proceedings and mining consortia websites for meeting minutes and annual reports—only to find the historical record trail off in previous academic or fiscal years without further comment. Moreover, much of the DDA chatter happens on blogs, public and private email lists, or in comment sections of popular websites like *Babel Fish* and the *Scholarly Kitchen*. Due to the topic's elusiveness and fragmented record, a brief and selective literature review and environmental scan seem most useful for the purpose of framing and distinguishing the unique characteristics of the PALCI DDA ebook program.

Recent scholarly treatments of consortial DDA fall into two general, though not mutually exclusive categories; DDA as a resource sharing mechanism, and case studies; the latter being more common and keenly focused on logistics and lessons learned. Christine N. Turner provides a broad historical perspective of cooperative collection development among large and small consortia focusing primarily on e-resource acquisitions including DDA activities. She does well to chart the evolution of consortial resource sharing and to highlight the causal and evolving relationship between scholarly publishing and consortia cooperation.<sup>1</sup> George Machovec aptly describes ebooks' existential threat to traditional resource sharing and posits consortial DDA as one possible solution. He cogently articulates and critically evaluates consortia ebook licensing options and DDA and evidence-based acquisition (EBA) models.<sup>2</sup> The National Information Standards Organization's (NISO) "Demand Driven Acquisition of Monographs" includes a useful section on consortial DDA models and integration with local plans and collection development activities, as well as emphasizing the



importance of establishing goals to help inform assessment and to facilitate communication.<sup>3</sup>

Broadly speaking, published case studies outline programmatic planning and objectives, implementation processes and challenges, and assessment/measures of success. Speaking on behalf of the Orbis Cascade Alliance (Orbis), Greg Doyle addressed the political and practical aspects of central funding, vendor selection, local integration, and profiling-parameter details.<sup>4</sup> Jill Emery's interview with the Orbis implementation team provides valuable insights and perspectives from the membership, as well as commercial partners, EBL and YBP.<sup>5</sup> Michael Levine-Clark et al. thoroughly document the history of the Colorado Alliance of Research Libraries (Colorado Alliance) program, including funding formulas and associated contributions, publisher representation, usage analyses, purchasing trends, and ROI calculations. The authors posit that the evolving ebook landscape will necessitate programmatic flexibility and further experimentation with new models to the mutual benefit of libraries and publishers alike.<sup>6</sup>

Recent developments and significant pricing changes in the ebook marketplace make it no surprise that challenges related to STLs are one of the most pervasive issues noted in recent articles. Randall A. Lowe and Lynda Aldana reflect on the University of Maryland and Affiliated Institutions (USMAI) pilot, critically noting that STLs and modeling influence publisher participation. The authors reinforce the importance of program flexibility when STL costs rise and/or front-list content is embargoed, and emphasize the importance of transparent communication among consortia, aggregators/vendors, and publishers, resulting in a lease to own pilot whereby STL expenditures would be credited against the purchase price.<sup>7</sup> In "Changing Library Operations," Allen McKiel and Jim Dooley discuss the success of the University of California DDA program in assessing the system-wide demand for humanities and social science

ebooks. The authors lament mid-pilot STL increases and front-list embargoes, as well as content exclusion measured by publisher output.<sup>8</sup>

The literature illustrates the inchoate state of consortial DDA, which explains broad experimentation and a large number of pilots, as well as the formative development of best practices. It further reveals largely uniform experiences. Generally speaking, there is stark parity among recent past and current consortial DDA programs including aggregators, publishers (or lack thereof), YBP licensing and models, and STLs to name a few. For example, Orbis, The Virtual Library of Virginia (VIVA), NY3Rs, USMAI, and the Colorado Alliance all contracted with EBL who negotiated with roughly the same corpus of publishers.<sup>9</sup> While there is some variation in the number of STLs pre-purchase, as well as the purchase multiplier, their presence is ubiquitous across DDA programs.<sup>10</sup> Consortia have taken different approaches to profiling, for example VIVA focused on STEM-H (Science, Technology, Engineering, Medicine, and Health) in curating the discovery pool, but most profiled titles by publisher and copyright date. Perhaps the most persistent characteristic of all the programs is the non-linear lending model (NLL),<sup>11</sup> which permits a set number of loans per annum, generally for one day or one week. The parity among consortial DDA programs reflects, to a large extent, the limited number of aggregators that have the experience and infrastructure to coordinate consortial DDA programs and the limited number of publishers willing to participate in the new DDA marketplace, which they fear may pillage more established revenue streams such as approval plans and firm orders.<sup>12</sup>

As one would expect, the programs' parity generated similar results. For consortia that shared their DDA expenditures, the lion's share was expended on STLs, not purchases. Between May 2012 and April 2013, the Colorado Alliance spent \$24,990.03 on STLs and \$10,026.63 on purchases with EBL and ebrary.<sup>13</sup> Between August



2012 and May 2013, NY3Rs spent \$65,984.51 on STLs and \$18,873.55 on purchases.<sup>14</sup> According to their 2015 fiscal year DDA expenditure report, Orbis, the consortium with the largest annual budget, spent \$645,053.70 on STLs and \$253,239.85 on purchases.<sup>15</sup> Logically, the numbers of STLs and purchased ebooks are proportional to the expenditures. For example, in 2012-2013, NY3Rs triggered 4,068 STLs and purchased 52 ebooks; in FY15, Orbis triggered 24,306 STLs and purchased 400 ebooks. The programs' expenditure reports consistently demonstrate higher STLs costs and only modest investments in collective collections with perpetual ownership rights.

From a practical perspective, the disproportionate investment in STLs is intended to stretch dollars and therefore prolong exposure and access to the discovery pool. For consortia with traditional interlibrary loan agreements, STLs replicate, and may in some cases replace that service for ebooks. From a collection development philosophy, the assumption is that ebooks that exceed the STL threshold are, in fact, core to the common collection; however, based upon the available data, it is not clear whether post-purchase use justifies the purchase-price multiplier.<sup>16</sup> DDA programs that employ STLs are also increasingly vulnerable to STL price fluctuations. Both ebrary and EBL announced one-day and seven-day STL increases by publisher, percentage, and effective date as well as STL and DDA embargoes. One-day loans have increased across commercial and university presses from 2% (Elsevier), to 5% (Princeton and UNC press) to 30% (Duke) to as much as 40% (McFarland & Co).<sup>17</sup> It is difficult to know if and/or when STL costs will plateau, or if increases will become more predictable and/or standardized. While STLs support resource sharing initiatives that complement ILL and collection development strategies, building DDA programs around them results in modest small-scale collection building, at least in the short term.

Consortial resource sharing has been disrupted by ebooks, and DRM more directly. The Oberlin Group, A Consortium of Liberal Arts College Libraries, published a statement in 2014 critical of publisher-imposed barriers that "artificially circumscribe the larger scholarly ecosystem."<sup>18</sup> Signed by the Oberlin Group's deans and directors, the statement advocates in favor of twelve principles including interlibrary loan rights, standardized pricing, and preservation among others.<sup>19</sup> The Charlotte Initiative: Principles for Permanent Acquisitions of Ebooks for Academic Libraries builds on the Oberlin Statement by distilling the key principles from twelve to three: "irrevocable perpetual access and archival rights, allowance for unlimited simultaneous users, and freedom from any digital rights management (DRM)..."<sup>20</sup> With the support of a Mellon grant, the working group plans to investigate whether such terms are palatable to and sustainable for publishers. Although their focus is not on building collective collections per se, their recommendations will likely influence the ebook marketplace, at least for academic presses, and help facilitate resource sharing of ebooks in the spirit of traditional print ILL.

Greater shareability and the user experience are also being investigated through creative projects such as Minitex's *SimplyE for Consortia: Three Clicks to All Your Ebooks*. In an effort to bolster the "National Digital Platform," Minitex endeavors to create a single portal to access ebooks across collections and institutions thereby mitigating cumbersome authentication protocols. Additional goals of the initiative are to facilitate and streamline interlibrary loan, as well as provide a mechanism for consortia to deliver e-content.<sup>21</sup> It is difficult to predict when ebook shareability will be fully realized, whether a result of publisher capitulation, aggressive license negotiations, inter-consortia cooperation or open-access initiatives such as Knowledge Unlatched (<http://www.knowledgeunlatched.org/>), Luminos (<http://www.luminosoa.org/>), or the



Open Library of Humanities

(<https://www.openlibhums.org/>) or some combination.

It was within this context that PALCI, a consortium of nearly 70 libraries, began its efforts to build a collective ebook collection in 2012, beginning with a focus on demand-driven acquisition and ownership. The following report aims not to evaluate vendor DDA programs against each other, but rather to describe PALCI's endeavors, challenges faced, and future directions for consortial ebook programming.

### About PALCI

PALCI, originally known as the Pennsylvania Academic Library Consortium, Inc., first formed in 1996 as a grassroots federation of 35 academic libraries in the Commonwealth of Pennsylvania. Today, PALCI is a self-funded, 501c3 nonprofit whose membership consists of nearly 70 academic and research libraries, private and public, in Pennsylvania, New Jersey, West Virginia, and New York. Member institutions range from small liberal arts colleges to large research institutions, and also include the State Library of Pennsylvania and the Philadelphia Museum of Art Library. Libraries in PALCI have holdings in excess of 36 million volumes and a combined FTE of more than 500,000 students.

PALCI's mission is to spur the development of library collaboration in the Commonwealth of Pennsylvania and the neighboring region. To achieve its mission, PALCI works in several key areas; facilitating sharing of both print and electronic resources, identifying cooperative purchasing opportunities, collaborating on collection development initiatives, and promoting networking opportunities for library colleagues at member institutions.

Historically, PALCI's programs and services have been "opt-in," designed to benefit the majority of the PALCI membership, but not required for member participation. This opt-in

structure provides PALCI's diverse membership with the flexibility to participate, or not, as desired. Member dues are reserved solely for operating expenses; however, there are a few recent exceptions when PALCI used membership funds to cover costs associated with experimental or pilot activities on behalf of the membership.

PALCI is perhaps best known for E-ZBorrow, an expedited ILL service in which more than 80 percent of the PALCI membership participates. E-ZBorrow has been in operation for 20 years, and allows students, faculty, and staff at participating institutions to discover and borrow books and other physical library materials from more than 50 libraries. E-ZBorrow automates material requests, greatly streamlining transportation and delivery workflows as books and other items are shipped to other institutions throughout the region. This service is often what drives new libraries to join the consortium as it greatly expands PALCI members' access to print books, especially in a time of declining collections budgets.

More recently, PALCI has begun to focus on programs and services related to building collective collections, both electronic and print. After surveying the membership in 2011, it identified consortial ebook collections as the top priority. Shortly thereafter, PALCI established several pilot DDA ebook programs focusing on title ownership. In the two years since establishing its DDA pilot programs, PALCI's ebook expenditures have increased from zero to more than \$500,000 collectively and have become the consortium's most popular programs in terms of member library participation.

### PALCI Ebook Programs

Since its inception in 1996, PALCI's consortial ILL borrowing service, E-ZBorrow, has been essential in supporting PALCI's mission. How-



ever, this core service has seen some recent disruptions as members' greater investment in ebooks with DRM restrictions limits libraries' ability to share content. Even for publishers that permit some form of e-content sharing, it is often not an easy or unmediated process<sup>22</sup>. At the same time, PALCI has seen hints of a possible decline in members' need for physically shipped items as E-ZBorrow transactions decreased for the first time in 2014-15. In response to these issues, PALCI convened an Ebooks Task Force (EBTF) in 2012. The initial charge was to recommend a plan of action for the membership's ebook strategy, with a focus on resource sharing of e-monographs and building a collective collection in a fiscally-responsible manner.

Following an environmental scan and discussions with aggregators and YBP, the EBTF recommended two aggregator-mediated DDA programs with ebrary and EBSCO. The EBTF believed that a consortial DDA approach would streamline the administration of ebook program negotiations, content profiling, and discovery system configuration. PALCI hoped to shift individual library spending to leverage ebooks' technological advantages in a consortial setting. Additionally, it was hoped that consortial DDA would allow members to avoid paying for the same content multiple times, as happens regularly in the print world, in favor of purchasing a wider breadth of content as need dictated. The EBTF believed a centrally managed and shared collection that could take most, if not all, of the onus off of individual libraries would be a major advantage. Finally, PALCI aimed to evaluate the cost per use over time for sharing ebooks versus print books through E-ZBorrow and other forms of interlibrary loan, with the hope that libraries would realize a cost savings and positive return on investment.

Over the next year, the EBTF had conversations with representatives of EBL, EBSCO and ebrary. The group debated a number of issues, includ-

ing whether to use an aggregator or work directly with specific publishers, the role of STLs, access versus ownership, funding models, and content profiling. Finally, in February 2014 the initial PALCI DDA pilot project began with 32 member institutions participating. After surveying the membership, it was decided that participants would be able to choose between EBSCO's eBooks on EBSCO and ProQuest's ebrary platforms, since many were already heavily invested in one or the other's content and workflows. The decision was based largely on practical considerations that aligned with discovery environments, user familiarity, and local workflows.

For the initial pilot approximately half of the membership opted in; 16 libraries participated in each aggregator program, with nearly equal funds and similar publisher profiles. Publishers were identified using a list of approximately 1,000 titles with a borrowing threshold of four or greater via E-ZBorrow. These publishers included a mix of commercial and university presses, including McGraw-Hill, NYU Press, Oxford University Press, SAGE, and Wiley. Because most member institutions utilize YBP's GOBI, the EBTF agreed to work with YBP to help manage light profiling and acquisition processes. For both aggregators, purchase parameters were nearly identical: purchases were generated after ten minutes of continued usage, ten unique page views, or after any printing, copying, or downloading activity. The main difference between the two aggregators was the multiplier applied to each purchase. This multiplier, referred to by the EBTF as the "copy-plier," required the purchase of a certain number of copies when a title was triggered. Depending on the aggregator and with consideration of the FTE by each publisher, the range was between one and four copies, with one simultaneous user per copy. Perhaps the single most defining characteristic of the PALCI DDA program was the de-



cision that there would be no STLs prior to purchase. The EBTF believed that STLs were not the most effective use of limited funds due to a focus on ownership and anticipated circulation and 'value' post purchase, especially given the size and makeup of the PALCI user population.

After the initial pilot project ended, the EBTF performed a substantial analysis of the program and deemed it to be a success based on its initial goals. Approximately half of PALCI's member libraries opted in. The return on investment<sup>23</sup> was between three and six times the average individual library contribution. Several participating institutions reported that the unit costs (cost per title) were lower than the average cost of running a local DDA program. For those participating in the EBSCO program, 7,010 titles were made available and a total of 310 unique titles and 857 copies were purchased. In the ebrary group, 2,099 titles were made available and a total of 154 unique titles and 616 copies were purchased over three months. Some ebrary funds went unspent and carried over into the following semester. All of these titles are now owned in perpetuity and available to the 16 libraries that participated in each group respectively, such that cost per use will decrease over time as patrons of multiple institutions find and use these titles. Collective ownership of these titles and the collective savings experienced were, perhaps, the greatest successes of the project.

Despite the pilots' successes, there were challenges that arose, primarily related to integration of the DDA programs with vendor and library workflows. Some libraries experienced technical and implementation difficulties with discovery services. Others, especially those without aggregator discovery services, were forced to rely on MARC records for discovery, which added complexity to local workflows each time a program started and stopped. Each aggregator presented its own unique challenges and characteristics, such as the availability, timing and quality of usage reports and purchase

data, differences in participating publishers and copy-pliers, and the number of titles available on each platform. Even with challenges though, PALCI decided to move forward with a very similar DDA program for Fall 2014-Spring 2015. PALCI made two changes during the program's first full year, including the move to a contribution/funding model using a formula based on FTE, and a decision to de-duplicate titles in the ebrary DDA program against the ebrary Academic Complete subscription package held by nearly all participants in the program.

With two consecutive and seemingly successful DDA projects completed, PALCI began investigating other possible vendors and models for additional DDA projects. This was in an effort to entice additional member institutions to participate in the creation of a PALCI shared collection. In December 2014, the EBTF began discussions with JSTOR about its new ebook model for consortial DDA. The attraction of JSTOR stemmed largely from the fact that the Books at JSTOR collection was an extension of JSTOR's journal collections, which were already held by nearly all of the member libraries, and which included high-quality scholarly content from a wide array of university press publishers. The content was DRM-free and multi-user accessible, and at the time, there was very little overlap with PALCI's EBSCO and ebrary DDA programs already in place.

In the Spring 2015 semester, the PALCI Board of Directors agreed to contribute funds to cover a JSTOR DDA pilot project that would include all PALCI institutions. For this project, all member libraries had access to approximately 30,000 titles on the Books at JSTOR platform. This DDA model was based on use of book chapters, in which a title would only be triggered for purchase after a negotiated significant-use threshold was reached. When the use threshold was exceeded, a copy was purchased for each PALCI library. However, if the agreed upon chapter-use threshold was never met for a specific title,





the use of that title remained, for all intents and purposes, 'free' but would continue to accumulate and compound annually. Throughout PALCI's two-month JSTOR pilot, PALCI libraries had access to JSTOR's complete discovery pool, and at the end, only 12 titles were purchased, with more than 18,500 titles used at least once.<sup>24</sup>

Building on its past successes, PALCI was able to offer member libraries three DDA options for Fall 2015-Spring 2016: EBSCO, ebrary, and JSTOR. While approximately the same number of institutions continue to participate with EBSCO and ebrary DDA programs today, 50 institutions opted-in to the JSTOR program, making it the most popular program among members. With each program iteration, PALCI is actively exploring the possibility of new models for consortial demand-driven ebook collection building, seeking greater library and publisher participation, and analyzing cost per use and overall use over time to demonstrate positive return on investment.

### Contribution Models

One of the more time consuming and challenging aspects of managing PALCI's DDA programs has been developing equitable and sustainable contribution formulas. Cost modeling of more established DDA programs in other consortia did not readily translate due to PALCI's opt-in philosophy, decentralized funding, and emphasis on ownership over access. Furthermore, PALCI's size and institutional composition made it difficult to anticipate use and project spend, and therefore arrive at a reasonable figure to sustain the programs and attract publisher interest.

The first iteration of the PALCI DDA programs with EBSCO and ebrary was funded through a "pass the hat" approach. It was assumed that voluntary contributions would gauge the mem-

bership's interest in the program, maximize participation among the membership, and provide a baseline for future contribution amounts. As expected, contributions ranged widely in absolute dollars but there was a loose correlation between institutional size and contributions, most of which were derived from one-time monies, e.g., end of fiscal year or experimental or pilot funds. The voluntary funding approach also highlighted the importance of PALCI's timing of the request for funding, both in terms of end of fiscal year budgets and budget cycles, as well as the time required to coordinate efforts between YBP and chosen aggregation services.

The second iteration of PALCI's EBSCO and ebrary DDA programs required a more nuanced and strategic approach to funding in order to help incentivize publisher participation and to extend the length of the program by increasing available funds. This more sophisticated formula was distilled into two determining factors: a flat participation fee, and a fee tied to FTE. The annual participation fee was flat, assessed irrespective of size, and constituted approximately 30% of total contributions. The FTE fee made up the other 70% of funds collected and was graduated to more equitably reflect the membership with the following classifications: very small, small, medium, and large.

Although the EBTF considered a fee based on budgets, it was determined that FTE was more predictive of usage as supported by preliminary purchase data from the first iteration of the program. Also, from a practical standpoint, FTE was readily available and normalized across institutions. The EBTF discussed a usage fee component based on absolute, relative, and/or per FTE types of calculations, but decided to forgo it due to limited statistics and inconsistent reporting, a problem that continues to persist. There was also concern that such a fee would be interpreted as punitive and counter to the objectives of the program. Theoretical discussions about



what constituted usage highlighted these challenges, e.g., defining incidental vs. significant use, how to quantify use, and whether to assess by ranges or thresholds.

The third iteration of PALCI's EBSCO and ebrary DDA programs replicated the second with only modest percentage increases assigned to the participation and FTE fees with the intent of prolonging the programs' duration. The EBTF continued to discuss and review usage statistics in an attempt to determine whether and how best to integrate a usage component into the contribution formula.

PALCI added Books at JSTOR to its ebook offerings in 2014. For the duration of the pilot phase, PALCI used central funds to access JSTOR's 30,000 DRM-free ebooks. The pilot was well received by the membership, and PALCI quickly developed a contribution model based largely on JSTOR's target investment to sustain the program for the entire subsequent academic year. Unlike the EBSCO and ebrary models, the JSTOR contribution model included a flat participation fee representing 10% of total contributions, an FTE-based fee representing 40% of total contributions, and a usage-based fee representing the remaining 50% of the total contributions. Because usage for the purposes of trigger thresholds is measured both collectively and cumulatively in the JSTOR program, the target investment is likely to increase each year to sustain the same program duration.

### Sustainability and Value

The EBTF's evaluations of the PALCI DDA programs show they provide a great deal of value at the consortium level based on the programs' initial goals. The programs are run efficiently with one consortium staff member managing the services and spending approximately 50% of their time on behalf of all libraries. Five EBTF members discuss logistical issues and provide

regular feedback to shape the program, representing the interests of staff at more than 50 libraries. Since the inception of the EBSCO and ebrary DDA programs, PALCI libraries have collectively purchased more than 3,000 titles at a relatively low cost per title.<sup>25</sup> Purchased titles are available in perpetuity to participating libraries. Since the cost of ownership is virtually zero, the cost per use decreases over time with each subsequent use. Additionally, the titles purchased represent ebooks that were used at least once, and usually more than once, presumably meaning patrons also found value in the program. Tables 1 and 2 demonstrate the use that occurred during and after the PALCI pilot DDA programs with ebrary and EBSCO (Spring 2014) and program year 1 (Fall 2014 - Spring 2015).<sup>26</sup> As titles are increasingly shared across the group, they represent books that do not need to be physically shared and shipped using ILL services, such as E-ZBorrow, representing additional future cost savings and enhanced access. (See Tables 1 & 2.)

Despite these consortium-level successes, the value of PALCI's DDA programs is limited to the subgroups of participating libraries. Value is also subjective, as it depends heavily on the participating libraries' institutional priorities. The value calculated from the consortium perspective does not necessarily translate to an individual library's perception of value. Individual libraries voluntarily contribute to the program in amounts that vary based on the contribution formulas described above. Therefore a ROI calculation done at the individual library level may vary greatly from the consortially calculated ROI, and from institution to institution.

As PALCI completes its second full academic year of DDA ebook program offerings following the initial pilots, the consortium is working to ensure sustainability and the satisfaction of its members by balancing the cost of participation with individual libraries' perceptions of value received. To achieve a balance between program



costs and value, PALCI staff are continuing to work closely with the Ebooks Task Force, as well as ebook vendors, to gather usage, cost and other program data to develop library contribution models that fairly allocate costs and encourage continued participation.

As previously described, current funding models depend on a small, flat participation fee and a fee based on an institution's FTE size. In future iterations, the consortium is considering whether and how to incorporate a usage-based fee in an attempt to define, assess, and fairly charge libraries for the value received. For institutions that have participated in previous years, usage data reports could potentially be used to attribute each institution's percentage of the costs. To do this, the EBTF is exploring a fee based on the number of discrete titles used at each institution. This method of attributing value focuses on the percentage of purchased titles used, rather than total aggregate use, since the amount of usage of any given title does not impact the consortium's total cost once it has been purchased.

Additionally, PALCI may use a metric, such as the average cost to borrow a physical item via the E-ZBorrow service, in order to calculate a title use fee. To date, no use-based fee has been assessed in the ebrary and EBSCO programs; there is concern that such a fee would serve as a disincentive for participation in the program. Additionally, a use-based fee could not be easily applied to libraries that have not previously participated. Though still under discussion, it is likely that PALCI will continue to look for ways to fairly attribute costs across the group based on a shared definition of the programs' value.

Perhaps the biggest threat to participation in PALCI's DDA programs though, is the lack of predictability in terms of program duration, combined with communication challenges and expectation setting. In an effort to build greater understanding of program complexities and

how funds are spent, PALCI developed web pages, created an email discussion list, and held periodic webinar meetings and feedback sessions to explain the programs and their results. PALCI has addressed some of these issues, but communication remains an on-going challenge, in part due to the size of the group, and also the complexities of running multiple programs simultaneously.

Providing libraries with predictability in terms of program duration is more challenging, in large part due to the risk inherent in the DDA model. In a recent survey of the membership, 90% of participating members ranked program duration as either very important or somewhat important. Despite this finding, a disproportionate number indicated an unwillingness or inability to contribute more money in order to mitigate the quick depletion of DDA funds. This feedback has caused PALCI to attempt to address the issue of program duration in other ways.<sup>27</sup>

Feedback gathered from member libraries makes it clear that librarians expect the program to last for at least one full academic year per contribution period. This expectation is a challenge that may be met through some combination of aggressive content profiling and/or increased funding. Although PALCI's 2016 ebooks survey results indicate most libraries believed the program provided at least fair or better value, survey data did not provide a strong case for drastically increasing individual library contributions. Budget restrictions continue to weigh on libraries, and the programs are not yet viewed as "core," but rather as supplemental additions to library collection development strategies.

Going forward, PALCI will work to maximize economies of scale and reduce duplications of cost and effort. In addition, PALCI must establish and nurture trust, a collaborative spirit,



transparency, and communication with members, all of which are paramount to continued participation in and viability of these programs, as they become a regular component of libraries' collection development activities. Though future models are still evolving, PALCI is committed to continuing to build ebook collections collectively based on shared needs, with transparent pricing that supports an open dialogue around value. Future steps for PALCI will involve a greater focus on defining the shared content priorities for a collective collection, e.g., publisher, subject areas, etc., with hopefully less attention devoted to the workings of the acquisition process and development of contribution formulas.

### Conclusions and Moving Forward

Consortial DDA programs provide distinct existential value within the context of declining budgets, organizational restructuring, and staffing attrition. Value propositions are supported by quantitative assessments, return on investment (ROI), and usage data most commonly, as well as workflow analyses, which are often performed qualitatively at the local level. Such assessments provide unique opportunities to engage consortium membership in discussions on programmatic expectations and measures of success; however, because success is defined and interpreted widely among the membership, developing "a one size fits all" narrative is no easy task, made even more difficult by vendors' inconsistent and irregular reporting. Moreover, local measures of success do not readily translate to the consortium level. For example, ROI at the local level is a straightforward calculation; however, ROI at the consortium level must be qualified with local triggers and/or usage. Measures such as consortial ROI and usage are not enough to sustain a consortium DDA program, at least for one funded voluntarily.

In a January 2016 PALCI survey, some within the membership expressed concern about the

programs' budget, timing (starts and stops), duration (length), and integration with local collection development and workflows. Thus, perceived value was lower than expected, not because of scant use, poor content selection, or unreasonable costs, but due mostly to logistical considerations, many of which were initially beyond the PALCI's direct control and/or the predictive powers of the EBTF and/or vendors. However, after three largely successful DDA iterations and with the support of the membership, PALCI is in a position to remove "pilot" from its DDA programming, thereby establishing its demand-driven ebook programs as a core collective collection service.

PALCI has identified several key challenges and related action items that the consortium must address to ensure the programs' future viability and end goal of a collective collection. First, these programs are by and large not considered core by individual institutions due to the inability to predict starts and stops and program duration; by default they are supplementary and assigned tertiary importance for budgeting purposes and collection development strategies. This issue also relates to insufficient funding as libraries prioritize other local activities more heavily. A culture shift and move toward "consortium-first" thinking is required to make collective collection building successful.

Secondly, PALCI needs a better understanding of how DDA is employed at the local level so as to complement and/or replace local initiatives where appropriate and to do so efficiently. Lastly, PALCI must articulate a clear vision for a consortium collection whereby a DDA program addresses shared institutional priorities in a more inclusive and thoughtful way. DDA is one means toward achieving a collective collection; however, the focus has largely been on the models used and the aggregators chosen to obtain that ownership, rather than the collection itself. A vision that describes what the body



of owned titles should look like will work to solidify the consortium’s ability to successfully work on behalf of its members.

Without full consortium participation though, the value of a shared collection will continue to be limited in scope. It is incumbent on consortial leaders to forge paths forward by innovating, trying new models, and encouraging discussion among all stakeholders so limited resources may be maximized, and so library vendors and partners no longer fear library cooperation, but find mutual benefit. It is clear that DDA programs

are only one piece of the “collective pie” and PALCI must continue to assess its programs’ ability to fulfill member needs, in addition to considering alternate or complementary approaches. Of all the lessons learned and challenges encountered, PALCI has recognized the need to remain flexible in order to build opportunities for participation, and the need to continue working with aggregators, publishers, platform providers and other partners to find mutually beneficial solutions addressing shared needs.

**Table 1. Cumulative Use of Titles Triggered in PALCI EBSCO Pilot Program (Spring 2014) & Program Year 1 (Fall 2014 - Spring 2015)**

	EBSCO Pilot Program: 2014		EBSCO Program Year 1: 2014-15	
	Feb. 2014- Dec. 2014	Feb. 2014- Sep. 2015	Oct. 2014- Apr. 2015	Oct. 2014- Sep. 2015
Total Use	5,769	10,365	5,022	7,632
Total Titles	310	310	501	501
Uses Per Title				
10 or more times	52%	69%	1%	50%
6-9 times	17%	16%	9%	20%
3-5 times	25%	12%	43%	19%
2 times	6%	3%	24%	7%
1 time	1%	0%	24%	4%

Note. – Use was measured across all participating libraries in each program.



**Table 2. Cumulative Use of Titles Triggered in PALCI ebrary Pilot Program (Spring 2014) & Program Year 1 (Fall 2014 - Spring 2015)**

	ebrary Pilot Program: 2014		ebrary Program Year 1: 2014-15	
	Feb. 2014- Dec. 2014	Feb. 2014- Sep. 2015	Oct. 2014- Apr. 2015	Oct. 2014- Sep. 2015
Total Use	2,042	3,818	3,878	5,548
Total Titles	188	188	441	441
Uses Per Title				
10 or more times	35%	68%	0%	34%
6-9 times	28%	32%	2%	17%
3-5 times	26%	18%	25%	27%
2 times	6%	1%	33%	12%
1 time	5%	3%	39%	9%

Note. – Use was measured across all participating libraries in each program.

## Endnotes

<sup>1</sup> Turner, C. N. "E-Resource Acquisitions in Academic Library Consortia." *Library Resources & Technical Services* 58, no. 1: 33-48.

<sup>2</sup> Machovec, G. (2013). "Consortial ebook Licensing for Academic Libraries." *Journal of Library Administration* 53(5-6): 390-399.

<sup>3</sup> NISO DDA Working Group, "Demand-Driven Acquisitions for Monographs: A Recommended Practice of the National Information Standards Organization." Approved June 24, 2014. (Baltimore: National Information Standards Organization, 2014),

[http://www.niso.org/apps/group\\_public/download.php/13373/rp-20-2014\\_DDA.pdf](http://www.niso.org/apps/group_public/download.php/13373/rp-20-2014_DDA.pdf).

<sup>4</sup> Doyle, G., & Tucker, C. (2011). "Patron-Driven Acquisition - Working Collaboratively in a Consortial Environment: An Interview with Greg Doyle." *Collaborative Librarianship* 3(4): 212-216.

<sup>5</sup> Emery, J., & Parks, B. (2012). "The Demand Driven Acquisitions Pilot Project by the Orbis Cascade Alliance: An Interview with Members of the Demand Driven Acquisitions Implementation Team." *Serials Review*, 38(2), 132-136.



<sup>6</sup> Levine-Clark, M., Level, A., Lamborn, J., & Machovec, G., "Mile High Cooperation: Demand-Driven Acquisition in The Colorado Alliance of Research Libraries," in Dawn Hale (Ed.) *Shared Collections: Collaborative Stewardship*. (Chicago: ALA Editions, 2016): 125-153.

<sup>7</sup> Lowe, R. A., & Aldana, L. (2015). "Implementation & Management of a Consortial Demand-Driven E-Books Pilot: The USAMAI Experience." *Journal of Electronic Resources Librarianship* 27(3): 185-193.

<sup>8</sup> Kennedy, C. (2016). "Changing Library Operations -- Conclusions from Consortial Demand-Driven eBook Pilot at the University of California." *Against the Grain* 28(2): 70-71.

<sup>9</sup> The Colorado Alliance worked with ebrary and EBL.

<sup>10</sup> At the time of this writing, Orbis Cascade had 15 STLs, VIVA 25, NY3Rs seven, and USMAI six.

<sup>11</sup> Also known as the limited access model or Novanet Model (See Endnote 2: Machovec, 2013).

<sup>12</sup> Seger, R., & Allen, L. (2011). "A Publisher's Perspective on PDA." *Against the Grain* 23(3): 32-34.

<sup>13</sup> Levine-Clark, M., Level, A., & Machovec, G., "Mile High Cooperation: Demand-Driven Acquisition in The Colorado Alliance of Research Libraries," in Dawn Hale (Ed.) *Shared Collections: Collaborative Stewardship*. (Chicago: ALA Editions, 2016): 125-153.

<sup>14</sup> NY 3Rs E-book Pilot Phase 1, Pilot White Paper, NY3Rs ebook pilot.

<sup>15</sup> Demand-driven Acquisitions, Statistics box. <https://www.orbiscascade.org/ebook-statistics>. Accessed April 1, 2016.

<sup>16</sup> The University of California DDA project tracks post-purchase usage. See McKiel, A., & Dooley, J., 2014, *Against the Grain* 26(3): 59-61.

<sup>17</sup> "Publisher-driven ebook changes: pricing and access," <http://www.ebrary.com/landing/site/news/Publishers%20-%20ebrary%20STL%20changes.pdf>. Accessed April 1, 2016. Also see Wolfman-Arent, A., 2014, "College Libraries Push Back as Publishers Raise Some E-Book Prices." *Chronicle of Higher Education* 60(39): 22, for publishers' defense of the price increase.

<sup>18</sup> The Oberlin Group, "On ebooks & libraries: a statement by the Oberlin Group of liberal arts college libraries," <http://www.oberlingroup.org/node/14801>. Accessed April 6, 2016.

<sup>19</sup> Ibid.

<sup>20</sup> "Charlotte Initiative: Principles for Permanent Acquisition of eBooks for Academic Libraries," <http://guides.library.uncc.edu/charlotteinitiative>. Accessed April 6, 2016.

<sup>21</sup> See "SimplyE for Consortia: three clicks to all your ebooks," [https://www.ims.gov/sites/default/files/lg-70-16-0010\\_proposal\\_narrative.pdf](https://www.ims.gov/sites/default/files/lg-70-16-0010_proposal_narrative.pdf). Accessed April 1, 2016. Minitex is composed of the Massachusetts Library System, the Boston Public Library, Reaching Across Illinois Libraries System, and the New York Public Library. For similar initiatives see Pronevitz, G., "Consortial Ebook Platforms: An Update and Good News." *Collaborative Librarianship*, 7(1), 38-41.

<sup>22</sup> Wicht, H. (2011). "The Evolution of E-books and Interlibrary Loan in Academic Libraries." *Collaborative Librarianship* 3(4), 205-211.

<sup>23</sup> ROI was calculated by multiplying the number of titles purchased by list price of the content, then dividing by individual library contributions.



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<sup>24</sup> As of June 8, 2015, 18,512 titles had been either viewed or downloaded at least once, and greater than 15,000 titles had been viewed or downloaded at least twice.

<sup>25</sup> In the ebrary and EBSCO programs, the average cost to the consortium per title was less than \$200, and often included three simultaneous user copies, available to and shared by all participating libraries. Program costs were divided among participating libraries using PALCI's contribution formulas, making the average cost per title to an individual library significantly less, around \$13 per title.

<sup>26</sup> The PALCI DDA programs were described in a presentation at the Charleston Conference in November 2015. An analysis showed that as of September 2015, 97% of the 188 titles purchased in the Spring 2014 ebrary pilot program had been used two or more times. Similarly, of the 310 titles purchased in the Spring 2014 EBSCO

pilot, 100% had been used more than once. In both cases, nearly 70% of titles purchased were used ten or more times. The presentation with corresponding charts is available from: [http://schd.ws/hosted\\_files/2015charleston-conference/18/Charleston%202015%20PALCI%20eBooks%20Presentation.pdf](http://schd.ws/hosted_files/2015charleston-conference/18/Charleston%202015%20PALCI%20eBooks%20Presentation.pdf). Accessed June 20, 2016.

<sup>27</sup> PALCI's 2016 ebook survey gathered responses from 94% of PALCI member libraries. Of 62 responses, 37% indicated that program duration was somewhat important, and 53% indicated that program duration was very important. Only 10% indicated it was not important that a DDA program last for an entire academic semester. In both the ebrary and EBSCO programs, fewer than 10% of respondents indicated their library would be willing to pay more in order to extend the duration of these programs.

