**Proposal for Consulting Services to VALE for the Management of VALID**

Draft 6-9-12

Introduction

 The purpose of this Request for Proposal for consulting services is to procure advice and recommendations for establishing and sustaining the operation of an open-source, statewide, shared integrated library system developed under the auspices of the Virtual Academic Library Environment (VALE), New Jersey’s academic library consortium.

 VALE’s interest in providing an open-source, shared integrated library system was first expressed in a long range planning initiative conducted in 2006. Since that time, staff from member libraries have been actively engaged in investigating open-source options and exploring the service functionality needed for an effective and transformative New Jersey academic integrated library system, now known as VALID, VALE’s Academic Library Information Delivery. In 2008, the VALE Executive Committee unanimously agreed that the most promising option for VALE would be the adoption of Kuali’s Open Library Environment (OLE), planned for initial release in December, 2012.

 With the articulation of this goal and timeline, VALE organized a number of efforts designed to ensure that a strong foundation would be in place for the development and management of VALID. Toward that end, the following initiatives are underway:

* The identification of five member libraries as potential first adopters (alpha institutions) of VALID and 12 member libraries as likely future adopters (beta institutions).
* The creation of two committees charged with overseeing the planning and technical implementation of VALID. These groups are known as VOSC, the VALID Steering Committee, and VOIT, the VALID Implementation Team.
* Preparation for VALE’s application to incorporate as a 501(c)(3) not-for-profit.
* The delivery of a set of charges to four standing committees intended to lay out plans for the creation of a shared bibliographic database, the hierarchy and display of members’ bibliographic records, the selection of a common discovery tool, the development of resource sharing protocols and policies, and guidelines for the effective clean-up and preparation of holdings record.

The VALE Context

 Despite this impressive ongoing work of dozens of dedicated volunteers from member libraries, the VALE Executive Committee recognizes that further planning must be done to ensure a strong foundation, a solid business plan and a sustainable organization for VALID. The planning issues fall into four categories of concern and form the basis of the recommendations sought in this consulting project: financial, organizational, administrative and legal. Before elaborating on each of these concerns, it will be helpful to understand the context in which VALE currently operates.

 The VALE consortium was founded as a New Jersey grassroots voluntary membership organization in 1998 to further excellence in learning and research through innovative and collaborative approaches to information resources and services. VALE now consists of 52 college and university libraries, as well as the New Jersey State Library and although it has not yet incorporated as a not-for-profit, plans are in place to submit the necessary state and federal applications in the next few months.

 VALE’s original focus was to leverage its collaborative buying power for the acquisition of electronic resources at costs lower than individual institutions could obtain and it has been very successful in meeting this objective. In FY13, VALE will offer its members reduced prices for 60 products from 12 vendors at a cost of roughly $3.5 million. Its service and professional development initiatives have resulted in the creation of twelve standing committees composed of scores of volunteers from the member libraries.

 An important characteristic of VALE is that it has remained primarily a grassroots organization, governed by an elected Executive Committee that meets bimonthly. Its paid staff consists of one 60% FTE VALE Coordinator and one 17% FTE information technology support staff. Office space and supplies are provided gratis by William Paterson University which serves as the consortium’s fiscal agent. VALE receives no external funding; all expenses related to staff salaries and benefits, public relations, programming and committee support are funded by a service fee levied annually to each member library. Each year VALE members select the databases to which they wish to subscribe from the VALE suite of negotiated products and following this selection process, the libraries are invoiced only for those resources selected. The number of products selected by the member libraries ranges from zero to XXX. Database payments are received by William Paterson University which then aggregates the funds and pays the vendors.

The VALID Challenge for VALE

 While the voluntary nature and minimal infrastructure that characterize VALE to date have served the membership well, especially with regard to financial economies, the consortium’s ability to undertake a project of the magnitude of VALID presents many new challenges. Advice and recommendations are sought on the issues described below.

*Organizational and Administrative Considerations*

 While participation in VALID will be open to all VALE libraries, it is unlikely that in the foreseeable future the number of participants will exceed 16 to 18 or about 30% of the total VALE membership. This presumed minority status (in terms of number of participants) raises questions about VALID’s relationship to VALE. These concerns include issues such as:

1. Should VALID be organized as a separate entity, independent from VALE, or should it be managed as a subsidiary organization responsible to VALE’s Board of Trustees? Should VALID become an incorporated not-for-profit? What are the advantages and disadvantages of these options?
2. How should VALID operations be organized and what decision-making structures are most appropriate?
3. What personnel resources are needed to manage VALID operations, oversee staff and administer VALID funds?
4. What is an optimal plan for expanding these resources as VALID operations evolve from pre-implementation efforts to maturity?

*Legal Issues*

VALE will engage legal counsel to advise on state and federal law associated with the establishment of VALID, but seeks advice/recommendations through this consultancy on some of the specific legal issues related to a project of this nature. These include:

1. Ownership of assets

There will be a single bibliographic record representing the collective holdings of VALID members with individual holding and circulation records. Who should own the database and what rights should member libraries have related to the use of their records and other members’ records?

1. Data Privacy

Staff from many libraries will be accessing circulation, patron, and financial records in order to do their work. What guidelines should be followed concerning the privacy of data by members related to their own data and the data of other members? Similarly, acquisitions records will be available through VALID; what privacy guidelines should pertain?

1. Legal and Tax Status

What issues should VALID consider related to the legal and tax status of the project?

1. Risk Management

The integrated library system is a mission critical infrastructure for every member library. What are the significant issues related to risk management, and what options/recommendations should VALID consider (contracts, MOUs, etc.).

*Financial Considerations*

 The VALID project is the first initiative undertaken by VALE that needs a separate business plan. However, since it is unlikely that the number of participants will grow beyond roughly 30% of the VALE membership, a financial plan should consider what might be a contribution to VALID by VALE as an initiative open to all members, plus a cost recovery plan to build and sustain VALID for those institutions who elect to participate (the current alpha and beta implementers).

There is much work that needs to be done by the organization itself, such as circulation policy issues, cataloging practices, data clean-up, etc. These will be absorbed by the member institutions through committee structures. The most significant costs are related to the technical implementation and ongoing maintenance. There will be costs associated with both phases that may require different staffing and support. Bringing each institution on board will require work by the institution (absorbed by the institution) as well as central support.

The KUALI OLE software is unlike traditional ILS software. OLE software has been developed for generic library functions that may apply to a variety of traditional library operations/applications; whereas traditional ILS software considers circulation, cataloging, and acquisitions operations, for example, as separate modules or discrete functions. As a result, the implementation of OLE for a single institution would be quite different. The customization for a consortial implementation with a single catalog will require significant programming. The challenge is to determine at what point in the process VALID should invest in full-time (and/or part-time) dedicated staff to ensure that we do not elongate implementation. We have identified the following areas for financial consideration.

1. Pre-implementation Costs and Potential Source of Funds

Before any single library implements VALID, what activities/operations/staff should be funded by the consortium (VALE or members) to ensure that the software is ready for implementing. Who should cover the costs and how should they be apportioned (VALE, VALID or ??). What options for covering costs might VALID explore?

1. Implementation Costs and Potential Source of Funds

Once the software is ready for implementing (bringing members on board), what are the implementation costs, and how should the costs (staffing and any other costs) be apportioned? What options for covering costs might VALID explore?

1. Ongoing Operational Costs and Potential Source of Funds

Once the alpha and beta libraries are fully implemented, what are the ongoing operational costs to be considered, and how should the costs be apportioned? What options might VALID explore for covering costs?

1. Sustainability Plan

What should VALID consider in a sustainability plan that allows for continuing support of VALID as well as necessary upgrades in software and equipment, the addition of new members, and any other considerations.

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