

2016

## Library Services and Construction Act: Reauthorization (1989-1994): Report 09

Follow this and additional works at: [http://digitalcommons.uri.edu/pell\\_neh\\_I\\_51](http://digitalcommons.uri.edu/pell_neh_I_51)

---

### Recommended Citation

"Library Services and Construction Act: Reauthorization (1989-1994): Report 09" (2016). *Library Services and Construction Act: Reauthorization (1989-1994)*. Paper 14.  
[http://digitalcommons.uri.edu/pell\\_neh\\_I\\_51/14](http://digitalcommons.uri.edu/pell_neh_I_51/14)

This Report is brought to you for free and open access by the Education: National Endowment for the Arts and Humanities, Subject Files I (1973-1996) at DigitalCommons@URI. It has been accepted for inclusion in Library Services and Construction Act: Reauthorization (1989-1994) by an authorized administrator of DigitalCommons@URI. For more information, please contact [digitalcommons@etal.uri.edu](mailto:digitalcommons@etal.uri.edu).

## FEDERAL LIBRARIES ARE NOT "COMMERCIAL ACTIVITIES"

### Wholesale Contracting-out Is Not Wise; It is Both Penny and Pound Foolish

The American Library Association (ALA) has 40,000 members. The vast majority are practicing, professional librarians in all types of libraries in research, business, academic and health institutions, in schools and public libraries, and the libraries of federal, state and local government agencies. The Association understands the nature and purpose of library service in all types of organizations, be they located in the public, profit or nonprofit sectors.

It is ALA's expert opinion that the wholesale contracting-out of library functions in federal agencies is based on a fundamentally flawed understanding of the functions performed by libraries everywhere. Federal libraries are not "commercial services" in competition with private enterprise. They are integral parts of the government agencies they serve and for this reason, the American Library Association recommends that libraries be removed from the Office of Management and Budget's Circular A-76 list of so-called "commercial activities."

A comparison of library activity with the other activities listed in the commercial activities enumerated in Attachment A to Circular A-76 makes it clear why libraries do not belong on OMB's list. In fact, OMB's own footnote to Attachment A--the only qualifying footnote in the entire Circular--stipulates that because federal libraries are different from other activities listed they must therefore be judged individually and on their own merits.

[This list] "should not be considered exhaustive, but should be considered an aid to identifying commercial activities. For example, some federal libraries are primarily recreational in nature and would be deemed commercial activities. However, the National Archives or certain functions within research libraries might not be considered commercial activities. Agency management must use informed judgment on a case-by-case basis in making these decisions."

The differences between libraries and the other "Commercial Activities" included in the Attachment are two fold:

1. If any savings from the contracting out of activities such as "food services" result in a decline of quality, the basic mission of federal agencies and the associated direct costs of carrying out agency missions would not be compromised.
2. Technical specifications for activities such as "laundry and dry cleaning" or "food service" can be tightly written and monitored so as to guarantee that quality will be maintained. In the case of "library services," however, technical specifications for intellectual products and services are difficult to generate and even more expensive to monitor. Indeed, the creation and oversight requirements of such

specifications defeat the very cost-reduction purposes of Circular A-76.

A valid analysis of the costs and benefits associated with contracting-out of library activities requires that the very real risk of decline in the quality of federal library service be measured as well as costs resulting from contract monitoring. In addition, declines in the operational abilities of federal agencies which are forced to depend on library services of marginal quality should also be calculated. Circular A-76 requires no such rigorous analysis. It merely states that "comparison of the cost of contracting and the cost of in-house performance shall be performed to determine who will do the work," with no consideration of the costs to other services dependent upon the functions to be contracted out.

In a related A-76 document dated September 27, 1984, OMB Deputy Director Joseph R. Wright, Jr. includes libraries as one of 14 activities targeted for "productivity review" and stipulates that no cost analysis of an activity is required if less than ten full time employees are employed. Since 90% of all federal libraries have less than 10 employees, these libraries would be contracted out with no study of the effect of such action on the efficiency of agency operations.

In the Real World, Libraries Are Not Considered to be "Commercial Activities"

With the exception of the Federal government, libraries are not, in fact, considered commercially feasible. If they were, if significant cost savings were possible with no loss of quality and no adverse effects on the institutions and organizations they serve, we would surely find corporations in large numbers contracting-out their entire library operations. Such is not the case. The Special Libraries Association (SLA), with a 16,000 membership composed primarily of librarians from the private and not-for-profit sectors has stated publicly that contracting-out entire library operations by the private and not-for-profit sectors does not happen, because of:

"the importance placed upon properly aligning information services within the organization to ensure smooth and effective decision making. It was generally agreed that contractors could possibly inhibit, impede, or even diminish the flow of information services within the organization due to the problems of accountability, delegation of authority and efficiency."

Corporations are no less concerned with costs and operational efficiency than OMB. Why then is the Federal government rushing to divest itself of an activity all nonfederal organizations consider best managed and operated in-house?

In the past, entire federal library operations have rarely if ever been contracted-out. On the other hand, certain specialized information operations have been contracted-out successfully. In a recent study, King Research Inc. found 80 examples of contracted-out Federal information activities which shared two characteristics: first, the contractors were hired to serve primarily users outside the Federal government, and second,

the contractors were hired to perform "routine, almost production-like work, such as indexing and abstracting." The King Report states that:

"Examples of such contracted services include the Department of Education's ERIC facility and clearinghouses, NASA's information facility, several health-related clearinghouses, and several information analysis centers funded by the Department of Defense and Department of Energy. . . However, these information operations and services appear to have certain characteristics in common.

The first characteristic is that the clearinghouses primarily serve users outside of the government, although not exclusively so. The second characteristic is that many information activities that are contracted out involve routine, almost production-like work such as indexing and abstracting. By production-like we mean that the work such as indexing is all that persons do. Even though such work requires certain competencies such as knowledge of certain subjects, information content, format and organization, etc., the efficiency of the staff approaches a maximum within a few years. With some exceptions, most of the work can be done nearly as well by persons with, say, three years experience as those with ten years. This kind of activity does not lend itself to government employees because of their salary structure and relatively frequent salary increases. Thus, sometimes this kind of work can be done more economically under contract where staff turn-over is easily achieved.

Federal libraries, on the other hand, primarily serve government workers. These libraries are an integral part of the agencies they serve. Our studies on librarian competencies clearly show that such library functions require a thorough knowledge of the organization served including patron needs and idiosyncrasies. More specifically, examples of required knowledge includes knowledge of:

- o mission, goals and objectives of the agency
- o structure of the agency and the role of the library in the agency
- o various agency projects and key personnel within the agency, and
- o specific user's information needs and requirements

It is clear that librarians engaged in user related functions such as reference work are intimately involved with their patron's work. In fact, in many environments the reference librarians are located or assigned to the unit they are serving, if the amount of work with that unit justifies such a move. Then, their knowledge of the library's collection (and of related collections) and other resources available in the library, is

essential so they can serve as the unit's link to the library." [1]

### Contracting-out Federal Libraries Puts the Nation's Security at Risk

There are other risks inherent in the wholesale contracting-out of libraries of federal agencies. For example:

- Contracting-out can fail to provide an adequate environment to protect sensitive, competitive, and proprietary documents which are a part of many federal library collections today.
- Contracting-out can endanger national security by eliminating altogether library expertise in the ranks of U.S. government workers and by releasing control of the government's information apparatus to organizations which are subsidiaries of foreign governments.

### What Has Happened Thus Far Under A-76?

The push to contract out federal functions has generated a variety of hasty, costly actions which have affected adversely federal library operations. For example:

- o Executive agencies have rushed to include libraries on their A-76 inventories of "commercial activities" with little or no prior study or consideration of the consequences.
- o Two Cabinet level agencies have contracted out their libraries, one with a U.S. subsidiary of a foreign firm.

From August, 1983 through October, 1984, the following Requests For Proposals (RFPs) to furnish library service to federal agencies have appeared in the Commerce Business Daily:

<u>Agency</u>	<u>Notices</u>
Air Force	2
Army	11
Commerce	1
Customs	1
Consumer Prod.	1
Energy	4
HHS	1
HUD	1
Interior	1
NOAA	2
Navy	115
OPM	1
Transportation	1

[1] D. King and D. MacDonald, The Use and Value of Special Libraries. White Plains, NY, Knowledge Industry Publications. Summer, 1985.

Many of these notices are advertised as "umbrella" contracts, which aggregate the agency library operations with diverse, dissimilar activities which can range from mail services to snow removal, all to be performed by a single contractor. Inevitably, the library suffers in the umbrella environment where work and monitoring efforts alike are focused on the larger, more profitable elements of the contract.

#### What To Do? - A Recommendation

It is clear that as a result of the nature and purpose of federal libraries, OMB has come to regard them as minor, tangential "commercial activities" rather than as the integral components of federal agencies they actually are. As a result, over the long run, Circular A-76 will endanger the basic efficiency and productivity of federal programs. In addition, once implemented, the A-76 process will be almost impossible to reverse. The solution, therefore, is to remove libraries from OMB's list of "commercial activities." Such a move would not inhibit the normal practice of contracting out specific functions of federal libraries--a practice vigorously pursued long before the recent emphasis on A-76.

In these times of economic awareness, the federal librarians need to maintain a favorable productivity balance by undertaking in-house those activities best handled by the federal sector and by buying those products and services best provided by the private sector. It is important to maintain an equilibrium between the two sectors--an equilibrium which has flourished naturally in the past and which exists now as evidenced by the 1984 \$15 million dollar total of federal library contracting via the Federal Library and Information Center/FEDLINK Consortium. Here is contracting at its most effective and efficient, through a single government agency for products and services needed by multiple federal agencies; contracting which enables both the government and the taxpayer to benefit from the cost-efficiencies resulting from economies of scale when multiple agencies pool their requirements to purchase information products and services.