

Courier Service by Regional Systems Saves Libraries Millions of Dollars Annually Over Alternative Delivery Methods

From February 10-14, 2003, 30 Colorado libraries collected statistics on the numbers and types of items they sent to each other via the statewide courier service managed by the Central Colorado Library System and funded by all seven of the state's Regional Library Service Systems. The data collected were specifically for items sent—not received—via the courier, as any alternative to this mechanism for facilitating resource sharing—the U.S. Postal Service, UPS, or FedEx—would be a cost to be borne by the sender, not the recipient.

In the absence of a statewide courier system, libraries that share resources would have to bear such costs in both directions. When lending, a library would incur an expense in sending an item to another library, and when borrowing, a library would incur an expense to return the item to its home library. Without courier service, libraries would likely have to pass on these charges to the public.

The 30 libraries participating in the study included 25 public libraries and 5 academic libraries. Only one school district participated because school libraries are more likely to borrow than to lend via interlibrary loan. They are also less likely than academic and public libraries to be used by the public to return to lending libraries items borrowed under the Colorado Library Card program.

Based on the February sample, academic libraries sent an estimated 446,000 items via courier, while public libraries exceeded 2.9 million. (See Table 1.) The alternative costs of sending these items via the U.S. Postal Service or commercial delivery services, such as UPS and FedEx, would be prohibitively high for most libraries. (See Table 2.)

If these average costs are extrapolated statewide, the cost-effectiveness of the library courier is obvious when compared to the above-mentioned alternatives. While courier service is coordinated by CCLS and funded by all of the Systems, local libraries also contribute toward the total cost. Thus, a fair assessment of the cost-effectiveness of the courier must take this local cost-sharing into account.

Table 1. Estimated Numbers of Items Sent via Courier by Colorado Academic and Public Libraries, FY 2003

Format	Academic Libraries	Public Libraries
Books	382,096	2,176,200
Audio books	2,288	128,960
Videos/DVDs	16,016	411,060
Music CDs	4,576	80,600
Photocopies, correspondence, other items	25,168	112,840
Packages	16,016	8,060
Total	446,160	2,917,720

Highlights

- Via the library courier system, academic and public libraries alone move an estimated 3.3 million items annually.
- The additional costs of comparable alternative delivery options (US Postal Service, UPS) range from \$1.4 to \$2.1 million annually.
- These are delivery charges alone. They do not include other requisite costs, such as labor, packing materials and other supplies, and storage.

All cost alternatives were explored taking into account the average weight of items being sent in each format. For libraries with higher courier traffic, a limit of 20 pounds per package was also assumed.

On the basis of a preliminary analysis, it is estimated that sending all courier items via the U.S. Postal Service (library rate) would have cost academic and public libraries an additional \$1.4 million this fiscal year. Commercial delivery options would have cost even more:

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\$2.1 million for UPS and \$6.3 million for FedEx. (All comparison costs are for second-day service—the norm for the courier system.)

These figures are based on a preliminary analysis of data from the Colorado Library Courier Cost Comparison Study. The final report, forthcoming in April, will provide more precise estimates based on the distribution of different formats between alternative delivery options and including other requisite costs, such as labor, packing materials and other supplies, and storage facilities.

Table 2. Estimated Statewide Costs of Alternative Delivery Options and Savings to Academic and Public Libraries Beyond Their Local Costs

Library Type (N of libraries/outlets on courier)	U.S. Postal Service (library rate)	UPS	FedEx	
Academic (44)	Total cost	\$400,400	\$588,016	\$1,443,728
	Local cost	192,896	192,896	192,896
	Savings	\$207,504	\$395,120	\$1,250,832
Public (150)	Total cost	\$1,762,800	\$2,223,000	\$5,592,600
	Local cost	532,800	532,800	532,800
	Savings	\$1,230,000	\$1,690,200	\$5,059,800
Academic & Public (194)	Total cost	\$2,163,200	\$2,811,016	\$7,036,328
	Local cost	725,696	725,696	725,696
	Savings	\$1,437,504	\$2,085,320	\$6,310,632