

ITEMS FOR DISCUSSION AND ACTION FISCAL, FACILITIES AND AUDIT

January 14, 2020

ACTION: Approve Continuation of Bookstore Contracts

Chadron State contracted with MBS Direct Corporation to provide a full service online bookstore to serve the College beginning July 1, 2016 through June 30, 2019 with up to 2 one-year renewal terms ending on June 30, 2021. For 2020-21, the College will continue to receive a commission of 10% on sales of print course materials, 2% on digital course materials, and 20-25% commission on books purchased at wholesale during book buyback; plus \$2,500 in textbook scholarships. Chadron State respectfully requests that the Board approve continuance of the online bookstore contract with MBS Direct Corporation for the period of July 1, 2020 through June 30, 2021.

Peru State recommends continuation of its bookstore contract with eCampus for the operation of the online bookstore for 2020-2021. The College's contract is for three (3) years 2019-20, 2020-21, and 2021-22. This approval is for the second year of the three (3) year contract. There is an option to enter into two (2) additional one (1) year contracts with eCampus following the initial three (3) year term of the contract with Board approval. For the right to operate the bookstore, eCampus agrees to pay the College a commission of 6% of new, used and rental book sales, 10% of book buybacks, 5% of market place purchases and 2.5% of digital book sales. In addition, eCampus will provide the College up to \$3,000 in course material scholarship as in-store credit per year.

Wayne State recommends continuation of an Agreement with Follett Higher Education Group, Inc. (Follett) for the operation of the bookstore. The initial term of the Agreement was for the period of July 1, 2016 through June 30, 2019; and allowed for one successive two-year renewal term from July 1, 2019 through June 30, 2021. For the right to operate the bookstore, Follett will continue to pay commission of 11.6% of Net Revenue up to \$1 Million; 12.6% of Net Revenue over \$1 Million, but less than \$1.5 Million; 13.6% of Net Revenue over \$1.5 Million. There is a commission guarantee of an amount equal to 95% of the calculated commission on net revenue of the immediately preceding year. In addition, Follett will provide a \$4,000 annual accounts receivable account. Wayne State respectfully requests that the Board approve continuance of its bookstore Agreement with Follett for the period of July 1, 2020 through June 30, 2021.

The System Office recommends approval of the Continuation of Bookstore Contracts.