DATE: December 13, 2012  

SUBJECT: Amend the current master agreement between the San Francisco Community College District and the San Francisco Community College District Bookstore Auxiliary  
(Resolution No. 121213-S3)

BACKGROUND:

In 2009 the Bookstores at City College began to experience drastic decreases in textbook sales. Online competition via peer to peer selling and publicity surrounding the exceedingly high cost of textbooks caused a massive change in the textbook marketplace. After 2 years of continuing losses it was clear that by 2013 the bookstore reserves would totally erode. To insure the bookstore survival, the Bookstore Board and then-Chancellor Griffin agreed that the bookstore should explore outsourcing its operations to a private company. The Bookstore Auxiliary asked the companies who operate college and university bookstores to evaluate City College’s stores and suggest improvements that could help bring the Bookstores out of the red. The consensus was that there was little that could be done without capital, which the bookstore did not have. Ultimately, outsourcing bookstore operations to a private company that could operate the City College Bookstores was most logical solution.

During the spring and summer of 2012 the Bookstore manager presented the state of the bookstores to various constituent groups. Presentations were made to the Associated Students Council at Ocean Campus and Executive Council; and the Academic Senate Executive Council and Plenary Session in August. This was done to ensure that the entire CCSF Community was aware of the reasons for potential outsourcing of the bookstore, and to seek input from the college Community regarding their needs and concerns with respect to that potential outsourcing. By this time it was clear that outsourcing was the only viable option for the continued operation of the CCSF Bookstores.

At a meeting in September, the Bookstore Auxiliary authorized the Bookstore manager to issue an RFP for Bookstore management services. The RFP was posted on line and was advertised twice in the San Francisco Examiner. Two companies responded to the RFP, Barnes & Noble College and the Follett Higher Education Group.

On November 2, following presentations by both proposers, the Auxiliary Board of Directors voted to recommend the Follett Higher Education Group be invited to enter an agreement with the Auxiliary, and to seek modifications to the Master Agreement with the District as necessary in light of the proposed contract.

The proposed Follett agreement is a 5 year agreement with options to renew annually. The Bookstore will continue to operate normally – faculty and students will experience no disruption of normal services, all current employees will remain, and the stores at all centers will remain...
open. The Follett Agreement will call for many improvements – including an extensive remodeling of the Ocean campus store – to better serve the Community.

Outsourcing the Bookstore operations will also benefit the Bookstore by generating revenue to the Auxiliary, which will allow the Auxiliary to fully fund its OPEB liabilities, pay all ongoing expenses, and restore its reserve fund to a level needed to permit restoration to self-operation if the partnership with Follett does not continue after the term of this agreement.

In addition to authorizing the extension of the term, and authorizing the outsourcing of Bookstore operations, the Board will also need to authorize the Auxiliary Board to appoint a new executive director. Under the current agreement, the Executive Director is the general manager of the bookstore. In the event operations are outsourced, the general manager will be a private employee, unaffiliated with the District. To insure that the Auxiliary retains complete policy control over bookstore operations, the Executive Director will need to be appointed by the Auxiliary, rather than through holding the general manager position.

RECOMMENDATION:

WHEREAS: A modern, efficient, high quality bookstore is essential to achieving a desired level of Student Learning Outcomes, and

WHEREAS: The San Francisco Community College District Bookstore Auxiliary is not currently in a financial position to operate a high-quality bookstore, and

WHEREAS: After extensive exploration and consideration, the San Francisco Community College District Bookstore Auxiliary has determined that outsourcing the bookstore operations is in the best interests of the San Francisco Community College District and the Community it serves.

RESOLVED: That the Board of Trustees authorizes the following amendments to the current Master Agreement between the District and the San Francisco Community College District Bookstore Auxiliary:

1. This is amendment number six (6)
2. The term of the master agreement is extended through December 31, 2023. This time frame permits outsourcing the bookstores for up to 10 years
3. The Auxiliary is authorized to enter into an agreement with a vendor to operate the City College Bookstores. This includes authority to select a vendor, choose the terms of an agreement, and decide in the future to continue the agreement, or change the vendor, or return to self-operation of the Bookstores by the Auxiliary.
4. The Auxiliary is authorized to appoint an Executive Director to replace the existing ex-officio director position held by the Bookstore General Manager.

FURTHER RESOLVED: That the Chancellor and/or her designee, is hereby authorized to execute any and all documents on behalf of the District to effectuate this resolution.

Originator: Peter Goldstein