

**GLENBROOK HIGH SCHOOLS
District Business Office**

**TO: Dr. Mike Riggle
Hillarie Siena**

FROM: Kimberly L. Ptak

DATE: JANUARY 23, 2012

RE: DISCUSSION/ACTION: BOOKSTORE PROPOSAL

Recommendation

It is recommended that the district sign a 5-year contract with Beck’s Book Store, Inc. (Beck’s) at a fixed, annual price of \$96,000. This is a \$320,000 savings over a 5-year period when compared to the annual \$160,000 fee the district is currently paying to Follett.

Beck’s is a family owned and operated textbook enterprise that has serviced the higher education market throughout the Chicago area for over 55 years. Beck’s current accounts include Northeastern Illinois University, The John Marshall Law School, Harold Washington College, Harry S. Truman College, Northwestern University, Loyola University Chicago, MacCormac College and Illinois Institute of Art.

Although a 5-year contract is recommended, either party can terminate the contract for the following school year by giving written notice on or before March 1st of the current year.

Background

The five-year contract with Follett ends June 30, 2012. The district has reviewed many options; the most viable are included in the table below. All of these options maintain the 15% textbook mark-up and a 50% buy-back on used books. All of these options also reduce the buy-back on new books from 60% to 50%. However this change is expected to be less than a 2% increase to families.

Management Fee Includes

	<u>Annual Mgmt Fee</u>	<u>On-site store</u>	<u>Bursar Services</u>	<u>On-line store</u>
Beck’s	\$96,000	Yes	Yes	Yes
Classbook.com	\$130,000	No	No	Yes
Follett	\$260,000	Yes	Yes	No – <u>available for add’l fee</u>
Current (Follett)	\$160,000	Yes	Yes	No

Transition

Beck's would begin some transitioning in the early Spring, conduct the book buy-back at the end of the school year, begin ordering textbooks in June and officially take over the account July 1, 2012.

New Service: On-line store

In addition to providing the in-school bookstore services that our parents and students are accustomed to, Beck's also offers an online textbook store. This would allow families to buy books online and have them shipped directly to their homes or available for pick-up at the schools.

This service is also available from Follett; however there would be an extra fee.

Electronic textbooks

Beck's has experience supplying electronic textbooks through its on-line store. As administration continues to pursue e-book opportunities and options, it will work closely with Beck's. Currently there is not a price-break on e-books; in fact, at times, an e-book is more costly than a hardcopy book since there is not the opportunity to sell the book back. Additionally, once an e-book is activated there is not an option to return the e-book to the publisher.

BOOKSTORE OPERATING AGREEMENT BETWEEN
NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT 225
AND BECK'S BOOKSTORE

This Bookstore Operating Agreement ("Agreement") is made as of July 1, 2012 between The Board of Education of Northfield Township High School District 225 ("School") and Beck's Bookstore ("Beck's").

Intending to be legally bound for good and valuable consideration, School and Beck's agree:

1. **Stores.** Subject to all the terms and conditions in this Agreement, Beck's shall operate bookstores ("Stores") for School at the Glenbrook North High School and Glenbrook South High School campuses.
2. **Term.** This Agreement takes effect July 1, 2012, and continues, unless sooner terminated in accordance with Section 3, until June 30, 2017 "contractual term". Thereafter, unless either party notifies the other in writing at least 120 days before expiration of the initial term, or then-current renewal term, of its intention not to renew, this Agreement shall automatically renew for successive one-year renewal terms under the terms and conditions set forth in this Agreement.
3. **Early Termination.**
 - 3.1 Either party may terminate this Agreement at the end of any fiscal year (i.e. July 1 – June 30), with or without cause by giving the other party written notice at least 120 days prior to June 30th.
 - 3.2 Either party may terminate this Agreement upon 90 days prior written notice for material nonperformance by the other party, documented, in case of nonperformance by Beck's.
 - 3.3 School may terminate this Agreement immediately if Beck's initiates any bankruptcy proceeding, assignment for the benefit of creditors or other insolvency proceedings, or if any such proceeding initiated against Beck's remains unresolved for 60 days.
4. **Rights Upon Termination, Expiration or Non-Renewal.**
 - 4.1 Termination, expiration or non-renewal of this Agreement shall not affect any right of either party accrued prior to such termination, expiration or non-renewal.
 - 4.2 On any termination, expiration or non-renewal of this Agreement, School shall purchase, or cause to be purchased, the Store inventory then on hand under the same terms as purchased by Beck's under Section 9.1.
5. **General Rights and Responsibilities of Beck's.**
 - 5.1 Beck's shall operate the Stores in accordance with the highest standards and commercial practices in the Illinois Public School bookstore industry.

- 5.2 Beck's shall operate the Stores 12 months per year. The names of the Stores ("Glenbrook North Book Store" and "Glenbrook South Book Store") shall not change. The Stores' normal hours of operation and holiday closing schedule, shall be pre-approved in writing by School after consultation with Beck's; hours of operation during registration periods, the first two weeks of classes, and all special campus events, shall be extended to coincide with demand.
- 5.3 Only with prior written permission from the School and subject to School's published standards, Beck's may use the School's seal, logotype, and associated trademarks and service marks on the Store's Internet site, signage and collateral materials, and stationery, soft goods, notebooks, pens, pencils, decals and other goods traditionally sold in college and university bookstores. School will not grant such right to any other online or brick-and mortar retail bookseller during the term of this Agreement. The right to sell hats and apparel in the bookstore is specifically excluded, absent the prior, express written consent of the District.
- 5.4 In order to secure property in the Store, Beck's shall cooperate with School in providing Store security, theft prevention, and emergency procedures in case of fire or casualty. In cooperation with School Security, Beck's shall create and maintain a Store security plan acceptable to School for textbook buyback, and other special events.
- 5.5 Beck's shall not cause School's students, faculty, or staff suspected of theft or disturbance to be arrested by public authorities (except in emergencies) or prosecuted without prior consultation with School.
- 5.6 In its operation of the Store, Beck's shall pay its bona fide financial obligations to School and to third parties in a timely manner.
- 5.7 Beck's shall be solely responsible for and shall collect and pay any sales tax or similar tax on its retail sales, and applicable income taxes on its revenues. Beck's shall not be responsible for real property taxes on the Store facility.
- 5.8 Beck's shall be solely responsible and shall obtain and maintain at its sole expense, and in its name, all necessary licenses and permits required to perform the services described herein.
- 5.9 Beck's shall abide, and require its employees to abide, by applicable School regulations and policies. School shall provide Beck's with copies of applicable policies.
- 5.10 Beck's shall abide by all federal, state and local laws applicable to its operation and this agreement.
- 5.11 In performing this Agreement, Beck's shall not discriminate based on sex, race, national origin, religion, color, sexual orientation, veteran status, disabled veteran status, age or disability protected under the ADA.
- 5.12 Beck's shall be responsible for any loss or damage to property owned by School that is in Beck's possession or control or is caused by Beck's or its employees or agents at any time during the term of this Agreement or any extensions.
- 5.13 Beck's will make its corporate representatives reasonably available to School to discuss and resolve any operational issues.

- 5.14 Beck's shall be responsible for daily cleaning of the Store interior, including provision of basic janitorial equipment and supplies, sweeping, dusting, and removal of light trash to School-provided receptacles.
- 5.15 Beck's will provide various Bursar functions to include the following:
- Collection of course, materials and related fees at the start of, or during, the academic year.
 - Collection of various fees and revenues throughout the academic year including but not limited to fund raising, ticket sales, and field trips.
 - Disbursement of "spirit-ware" to Glenbrook staff, inventory to be purchased, received and stored by the district.
 - Such other services as determined by mutual agreement between Beck's and School.

The procedure for the collection of course, materials and related fees at the start of the academic year are as follows:

- All fees will be recorded through the School's POS system. Beck's will deposit the fees in the School's account and provide School a complete accounting of the fees that were collected.
- School shall be solely responsible for the collection of sums under returned checks to the extent said checks cover fees.

The procedure for the collection of course, materials and related fees throughout the academic year are as follows:

- All fees and revenues will be processed through the School's CAM system. Checks will be made payable to the School.
- The fees and revenues will be stored in bank deposit bags. The various groups and organizations will designate a representative to collect the money. That individual will verify the total funds with a designated bookstore employee and prepare a School account deposit slip. The funds will then be deposited by bookstore personnel.

6. **General Rights and Responsibilities of School.**

- 6.1 School will provide and maintain an appropriate, safe and habitable location including appropriate temporary space at each campus for the fall book sale, in accordance with all applicable laws and regulations, in retail-ready condition. School shall be responsible for furnishing appropriate decorating, fixtures, equipment, shelving, lighting, flooring, plumbing, power and HVAC (but not trade fixtures and business equipment, which shall be furnished by Beck's.) School shall also keep the building in which the Store is located in compliance with all fire, building and electrical codes and regulations, including regulations governing fire alarms, smoke detectors, fire extinguishers, fire suppression and sprinkler systems, water pressure, plumbing and electrical service, School shall be responsible for any loss resulting from failure of the building to meet applicable building codes and regulations. If the School relocates all or any part of the Store operations, School will provide Beck's with at least 90 days advance notice of the relocation and will reimburse Beck's, within 30 days after Beck's invoice, for Beck's asked out-of-pocket cost of the relocation.

- 6.2 The Assistant Superintendent of Business Affairs, or designee, shall advise Beck's of School's approvals, consents and instructions required under this Agreement.
- 6.3 School may, on its sole discretion, prohibit sale at the Store of any item it finds offensive or inappropriate.
- 6.4 If at any time School is dissatisfied with Beck's performance under this Agreement, School shall document the unsatisfactory performance and submit the documentation to Beck's for immediate review and corrective action. School may require a review meeting to prepare the corrective action.
- 6.5 School shall provide the following services to the Store in accordance with School's building standards at no cost to Beck's:
- a) Security of persons and property in the same manner provided for other School premises;
 - b) Internal and external building maintenance, including, but not limited to, plumbing, electric, light bulbs, HVAC and other mechanical systems, fire protection, roof membrane and structure, floors, walls, ceilings, windows and doors;
 - c) Pest control services on the regular School schedule;
 - d) Lost and found service as regularly provided by School;
 - e) Parking for Beck's employees in common with other authorized parkers in a location approved and provided by School (Beck's employees must abide by all applicable parking regulations);
 - f) Participation in any debit or credit card, voucher program, or other payment or financial aid service now or hereafter made available by School to its students or to local merchants; Beck's shall not charge more as a service charge than that being paid by the District as its service charge.
 - g) Local telephone/data service including all equipment and lines (telephone toll charges to be charged to Beck's at the billed rate);
 - h) Reasonable access to School's telecommunications and network systems as required to install, at Beck's sole expense, T1 lines and associated connectivity for Beck's point-of-sale systems; and
 - i) Building standard utilities.
- 6.6 School will require its faculty and staff to provide Beck's with timely and accurate textbook adoption information. Beck's will not substitute other editions of textbooks without District approval.
- 6.7 Beck's will extend credit to School for financial aid and departmental charge accounts in accordance with the terms set forth in Beck's standard credit application. School will furnish to Beck's all required information and will pay all accounts within 30 days of invoice, or will pay applicable late charges as provided in the credit application. No interest or security charge will be charged to the District on these transactions.
7. **Bookstore Personnel.**
- 7.1 Beck's will furnish sufficient adequately trained personnel to provide efficient and courteous service to customers, including sufficient substitute personnel in case of employee absence. In addition, Beck's will provide ongoing training in customer service.

7.2 School may participate in interviewing and evaluation of Beck's Store Manager and staff. Beck's selection of the Store Manager and staff are subject to School's approval.

7.3 All Beck's employees shall undergo criminal background checks as required by Illinois law.]School should have the reasonably exercised right to disapprove, or require Beck's to remove any employee which the School believes is unfit for employment in the Stores or whose conduct is detrimental to the school environment.

8. **Bookstore Stock and Sales.**

8.1. Beck's shall purchase from School all salable merchandise in the Store, including new textbooks, used textbooks, trade, reference and technical books, and general merchandise.

a) New Textbooks

1. Beck's will purchase new textbooks adopted for the next academic term in quantities not exceeding course requirements at standard industry discounts or cost. New textbooks purchased that are dropped by the School prior to their intended use and are not returnable to the publisher to the extent not otherwise sold by Beck's will be charged back to the School.
2. Beck's will purchase new textbooks not adopted for the next academic term, or adopted but in excess of course requirements, at the current wholesale price.

b) Used Textbooks

1. Beck's will purchase used textbooks adopted for the next academic term in quantities not exceeding course requirements at 50% of the current retail selling price. Used textbooks purchased that are dropped by the School prior to their intended use and are not returnable to the wholesaler to the Extent otherwise sold by Beck's will be charged back to School.
2. Beck's will purchase used textbooks not adopted for the next academic term, or adopted but in excess of course requirements, at current wholesale price.

c) Trade, Reference and Technical Books ("Trade Books")

1. Beck's will purchase Trade Books that have been purchased during the past academic year and are returnable to the publisher at standard industry discounts or cost.
2. Beck's will purchase Trade Books not meeting these requirements at a price agreeable to School and Beck's.

d) General Merchandise

- I. Beck's will purchase general merchandise traditionally sold in college bookstores, purchased in the past academic year, in saleable condition, and not in excessive quantities, at standard industry discounts or cost.
3. Beck's will purchase general merchandise not meeting these requirements at a price agreeable to School and Beck's.

8.2 In operating the Store, Beck's will charge industry standard, competitive and fair prices,

as follows:

- a) On new textbooks, not more than the publishers' list price, and cost of trade books or a 15% mark-up (cost multiplied by 1.15 inclusive of restocking fees and return penalties) on net price books and list price books sold to Beck's at less than a 15% discount off list, (inclusive of restocking fees and return penalties) plus a freight pass through.
- 8.3 Beck's will expeditiously process text requests placed after the adoption deadline.
- 8.4 Beck's shall purchase used textbooks year round as follows:
- Beck's shall purchase used textbooks adopted for the next academic term in quantities sufficient to meet course requirements at not less than 50% of the customer's purchase price.
 - Beck's shall purchase used books not adopted for the next academic term or in excess of course requirements at wholesale prices.
- 8.5 Beck's will accept returns in accordance with the following policies:
- a) Non-textbook items in resalable condition may be refunded or exchanged at any time with original receipt.
 - b) Textbooks in resalable condition may be refunded with receipt within seven (7) calendar days from the start of classes or within two (2) days of purchase thereafter, including during summer term.
 - c) Textbooks purchased during the last week of classes or during exams may be sold back under the book buyback policy.
 - d) Computer software may be returned if it is unopened and shrink-wrapped.
 - e) In addition, upon proof of drop/add, Beck's will accept textbook returns and refund the full cost paid by the students who have dropped a course up to thirty (30) days from the start of classes or until the end of the official drop/add period, whichever comes first.
- 8.6 In operating the Store, Beck's shall accept as a minimum, MasterCard and Visa, charge cards. Beck's will pay all merchant charges associated with acceptance of these credit cards.
- 8.7 Beck's will keep complete and accurate records of all Stores transactions in accordance with industry accounting practices and will provide a statement of Stores gross revenue to School monthly for the preceding period. Beck's will preserve records of store operations for 3 years from the transaction date, or for such longer period as required by law, and will make them available for review, audit and verification by School at the Store upon request on reasonable advance notice during ordinary business hours other than during Store "rush" periods.
9. **Administrative Fee.**
- 9.1 School shall pay Beck's an Administrative Fee in an annual amount equal to the sum of \$96,000.
- 9.2 School shall pay the Administrative Fee quarterly, twenty days after the end of each quarter. Beck's shall invoice the School.

10. **Insurance.**

10.1 During the term of this Agreement, Beck's shall keep in force, at its own expense, at least the following insurance:

- a) Commercial General Liability having a combined single limit of not less than \$1,000,000 per occurrence covering contractual liability and products/completed operations;
- b) Business Automobile Liability having a combined single limit of not less than \$1,000,000 per occurrence covering claims arising out of ownership, maintenance, or use of owned or non-owned automobiles;
- c) Worker's Compensation insurance having limits not less than those required by applicable statute; waiver of subrogation required.
- d) Employer's Liability in the amount of at least \$1,000,000.
- e) Excess or Umbrella Liability in the amount of at least \$2,000,000.

10.2 School, its Board member affiliates, officers, directors, trustees, volunteers, and employees shall be named as additional insureds under the above policies.

10.3 As a condition precedent to School's obligations under this Agreement, Beck's shall furnish industry standard Certificate(s) of Liability Insurance to School showing the coverage required by this Section and showing the School and others as additional insured as required by Section 6.2. before Beck's takes possession of the Store, whichever is earlier. The Certificate(s) shall provide that the issuing company will mail written notice to the Certificate Holder (School) within 30 days in the event of any policy cancellation or termination.

10.4 School will notify Beck's of any flood plain zoning changes affecting the Store within 30 days of receiving notice of such change from any source.

10.5 If School causes any work to be performed by a third party on the building housing the Store, then School will provide Beck's an industry standard Certificate of Liability Insurance from the third party's insurance company(ies) showing Beck's as an additional insured under the third party's Commercial General Liability policy and Business Automobile Liability policy. Both policies shall show combined single limits of \$1,000,000 per occurrence.

11. **Indemnification.**

11.1 Beck's shall defend, indemnify and hold harmless School, its Board of Trustees, affiliates, officers and employees from any and all claims, suits, actions, damages, judgments, and costs (including costs, expenses and reasonable attorney fees), arising out of any: (i) damage, destruction or loss of any property (including but not limited to School's property); or (ii) injury to or death of any person (including but not limited to any employee of School); which results from or arises out of negligent or willful acts or omissions of Beck's, its officers, agents and employees, in the performance of this Agreement.

11.2 To the extent permitted by applicable law, School shall defend, indemnify and hold harmless Beck's, its affiliates, directors, officers and employees from any and all claims, suits, actions, damages, judgments, and costs (including reasonable attorney fees) arising

out of any: (i) damage, destruction or loss of any property (including but not limited to Beck's property); or (ii) injury to or death of any person (including but not limited to any employee of Beck's); which results from or arises out of negligent or willful acts or omissions of School, its officers, agents or employees, in the performance of this Agreement.

12. **Independent Contractor Status.** The relationship of the parties is that of independent contractors, and no tenancy, partnership, joint venture, agency, fiduciary or other relationship is created. Neither party may order any goods nor services, incur any indebtedness, or enter into any obligation or commitment on the other party's behalf.
13. **Nonassignability.** Neither party may assign or sublet this Agreement in whole or in part without the prior written consent of the other party, except that either party may assign this Agreement in its entirety to an affiliate that controls, is controlled by or is under common control with such party. This Agreement is made for the exclusive benefit of the parties, and no benefit to any third party is intended.
14. **Notice.** Notices required or permitted by this Agreement shall be deemed given when received if sent by recognized overnight courier or first class mail, postage prepaid, to the following address, or such other address as the party may specify by notice:

<u>To School:</u> Assistant Superintendent of Finance Glenbrook High School District 225 3801 W. Lake Avenue Glenview, Illinois 60026	<u>To Beck's:</u> Linda Olson President 4520 N. Broadway Chicago, Illinois 60640
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15. **Severability.** If any provision of this Agreement is finally adjudicated illegal, invalid, in excess of the authority of either party hereto, or otherwise unenforceable, then such provision shall be severed, and the remainder of this Agreement shall remain in force as if such adjudicated provision were never included in this Agreement.
16. **Integrated Agreement.** This Agreement: (i) is the sole expression of the understanding of the parties with respect to operation of the Store, (ii) supersedes all prior statements and agreements with respect thereto, and (iii) may not be modified, amended or waived except in writing signed by both Parties.
17. **Applicable Law.** This Agreement shall be governed exclusively in accordance with the laws of the State of Illinois.
18. **Value.** In the event of legal action to enforce the terms of this Agreement, venue shall only be proper in the Circuit Court of Cook County or the United States District Court for the Northern District of Illinois.
19. **Rule of Construction.** The Parties agree that they have each had the opportunity to have this Agreement reviewed by counsel of their choosing; therefore the general rule that ambiguities are construed against the drafter shall not apply.

- 20. **Prevailing Party.** In the event litigation is commenced for enforcement of this agreement, the losing party shall pay all costs, expenses and reasonable attorney fees covered by the prevailing party in such litigation.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective authorized representatives as of the date first written above.

BECK'S BOOKSTORE

BOARD of EDUCATION of
NORTHFIELD TOWNSHIP HIGH
SCHOOL DISTRICT 225

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Draft