



Wharton County Junior College

Proposed Agenda Item Board of Trustees Meeting

Complete this form and submit it to the Office of the President by noon on Friday, 11 days prior to the Tuesday evening meeting of the Board of Trustees. If this form does not provide enough space, you may use an expanded version *as long as you follow the format specified below.*

Date of Board Meeting: August 18, 2020

Date of This Proposal: August 4, 2020

SUBJECT:

Approve the proposal submitted by Barnes & Noble College Booksellers LLC to manage and operate the College's Bookstores in Wharton and Richmond.

RECOMMENDATION:

Approve the proposal submitted by Barnes & Noble College Booksellers LLC to manage and operate the College's Bookstores in Wharton and Richmond.

BACKGROUND/RATIONALE:

The College solicited proposals from college textbook providers. While there were 5 that expressed an interest, 2 were on-line companies and were not interested in managing a brick and mortar store. The 3 other companies that responded were the 3 that are most familiar with Texas Community College's. They were Barnes & Noble, Texas Book Company, and Follett. After review of their operational proposals, and their proven experience in providing services to many Texas Community Colleges, it was determined that any of the 3 would be very qualified to operate our bookstores. The biggest differences were in their financial proposals that they provided to the College. Please find a brief summary of their financial commitment to the College attached. In summary, Barnes & Noble offered commissions of 12.1% up to 1 million in annual sales, and then 14.1% of any excess. Texas Book Company offered 11.5% on normal texts, and 7.1% on all digitized materials. Follett's offer was for 8.1% of all sales below 2 million, and then 9.1% of any excess. Total sales for the last complete school year were \$1.5 million. Estimated commissions from those sales would be \$191,500.00. The estimated WCJC payments made to the bookstore are largely reimbursements for student financial aid and scholarships.

Estimated Cost & Budgetary Support (how will this be paid for?): Estimated Costs from \$800,000.00
Unrestricted Operating Budget for 2020 – 2021

Student Pell Grants &
Other Financial Aid
Estimated Annual \$191,500.00
Commissions Earned

RESOURCE PERSON(S) [name(s) and title(s)]:

Bryce D. Kocian, Vice President of Administrative Services
Philip Wuthrich, Director of Purchasing


SIGNATURES:



Originator

8-7-20

Date



Cabinet-Level Supervisor

8/7/2020

Date

PRESIDENT'S APPROVAL:



Date

8-10-20

Date



Wharton County Junior College

WCJC COLLEGE BOOKSTORE PROPOSAL EVALUATION

	Barnes & Noble	Texas Book Company	Follett
Guaranteed Commission	0	year 1 is \$140K After that 75% of prev yr	0
Commission Rate			
Zero to 1Million	12.10%	11.5% of non digitized	8.10%
In excess of 1 Million	14.10%	7.1% on digitized material	8.10%
In excess of 2 Million	14.10%		9.10%
		Willing to Prepay \$150K	
Gross Margins based on Publisher's List Price	25%	25%	Normal Accepted Margins
Buyback (if adopted again)	50% of purchase price	up to 50%	omitted
Possible Facility Update \$'s	\$75,000.00	\$50,000.00	\$50,000.00
Textbook Scholarship Annual Amount	\$2,500. Check to Fund scholarship acct	\$3,000.00 TBC Holds Funds	\$4,000.00 Follett Holds Funds
Contract Signing Bonuses implementing ConnectOnce	\$50,000.00	Facility Update used as Bonus	\$25K in year 1,6,&11