

Grossmont-Cuyamaca Community College District
Contract C3443
Lease of Facilities for Bookstores
Cuyamaca College and Grossmont College

1. LEASE AGREEMENT FOR MANAGEMENT AND OPERATION OF COLLEGE BOOKSTORES

STATE OF CALIFORNIA; COUNTY OF SAN DIEGO

1.1. THIS AGREEMENT is made this 1st day of August, 2001, by and between:

The GROSSMONT-CUYAMACA COMMUNITY COLLEGE DISTRICT, a California political subdivision of higher education, having its principal office at 8800 Grossmont College Drive, El Cajon, CA 92020-1799 (hereinafter called "DISTRICT"); and BARNES & NOBLE COLLEGE BOOKSTORES, Inc., having its principal office at 33 East 17th Street, New York, New York 10003 (hereinafter called "LESSEE").

1.2. WITNESSETH:

1.2.1. DISTRICT, having invited and received Bids for the Management and Operation of College Bookstores, which are located in the County of San Diego, California, hereby accepts the Bid of the above-named LESSEE to furnish services under the following terms and conditions, to wit:

1.2.2. LESSEE agrees to manage and operate DISTRICT's bookstores in accordance with this contract and the following documents, which are incorporated by reference into this contract, and which collectively evidence and constitute the entire contract:

DISTRICT's RFB C3443 consisting of:

- Notice to Bidders
- Introduction
- General Rules and Information Governing Competition
- Instructions for Submittal of Bids
- Information for Bidders
- General Conditions
- Specifications
- Bid Form
- Addenda, as applicable
- LESSEE's Bid and accompanying submittal.
- Amendments, as agreed upon by the parties.

ORIGINAL

1.2.3. This contract shall not be assigned or transferred, directly or indirectly, in whole or in part, without the prior written consent of DISTRICT.

1.2.4. This contract is made and to be performed in San Diego County, California, and shall be construed in accordance with the laws of the State of California.

1.2.5. This contract shall be effective on the 1st day of August, 2001, and shall terminate in accordance with the terms thereof.

1.3. IN WITNESS WHEREOF, DISTRICT and LESSEE have executed this agreement in duplicate on the day and in the year first above written.

DISTRICT:
GROSSMONT-CUYAMACA
COMMUNITY COLLEGE DISTRICT

By: James E. Austin
James E. Austin
Vice Chancellor-Business

LESSEE:
BARNES & NOBLE COLLEGE
BOOKSTORES, INC.

By: Janine von Juergenson
Typed Name: Janine von Juergenson

Title: VICE President - Marketing

Date: 7/27/01

Date: 8/13/01

Financial Considerations

Guaranteed Payment/Percentage Payment

On an annualized basis, Barnes & Noble will pay Grossmont/Cuyamaca Colleges the guaranteed payment *or* the percent of gross sales, whichever is greater, as follows:

<u>Contract Year</u> Each Year	<u>Guaranteed Amount</u> \$275,000
-----------------------------------	---------------------------------------

or

5% of all gross sales up to \$6 million
10% of all gross sales over \$6 million

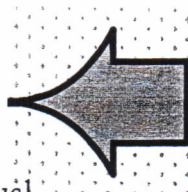
(Gross sales is defined as all sales less voids, refunds, sales tax, discounted sales, pass-through income, and uncollected sales.)

The percentage formula shall be used for any contract period that is less than a complete year or during any period of major renovation when the bookstores are meaningfully affected by construction activity. The percentage formula shall also supersede the guaranteed amount in any year that enrollment drops by 5% or more from the preceding year or technological/competitive changes reduce store sales.

Terms of Contract

Contract terms will be:

- Ten years, with an option to renew for 2 five-year periods, subject to mutual agreement.
- Thirty day cancellation notice for failure to perform.
- Termination by Grossmont/Cuyamaca Colleges for any reason with ninety days notice.



Payment Schedule

Guaranteed payments will be made quarterly and paid within 30 days after the close of the quarter in which they were earned. The final payment for the contract year will be equal to the greater of the guaranteed amount or the applicable percentage and paid within 30 days after the close of the contract year.

Renovations

Barnes & Noble will spend up to \$200,000 to renovate, upgrade and equip the

Grossmont/Cuyamaca Bookstores. (See "Renovations" section of this proposal.)

Barnes & Noble will depreciate this investment on a straight line basis over the ten year contract period. Should Grossmont/Cuyamaca Colleges cancel or fail to renew the contract before the end of that period, then Grossmont/Cuyamaca Colleges must reimburse Barnes & Noble for any amount not yet depreciated.

Bid Bond

Attached as Exhibit C is a certified check for \$5,000 which shall serve as a bid bond.

Barnes & Noble's Responsibility

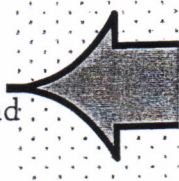
Barnes & Noble will assume financial responsibility for the following:

- a. Employee payroll costs and benefits.
- b. Bill paying and accounting, including sales tax reporting and payment.
- c. Office equipment maintenance and repair.
- d. General custodial services.
- e. Loss prevention services.

Grossmont/Cuyamaca Colleges's Responsibility

Grossmont/Cuyamaca Colleges shall assume financial responsibility for the following:

- a. Heat, light, utilities, and air conditioning as is reasonably required for operation.
- b. Office furniture, file cabinets, campus telephone, cash registers, safes, and office machines currently available for bookstore use.
- c. All repairs and maintenance for the buildings in which the bookstores are located.
- d. Trash removal, snow removal and extermination services.
- e. All debit card, credit card, or other financial services made available by Grossmont/Cuyamaca Colleges to its students.



Certified Financial Statement

Attached as Exhibit D is a copy of our most recent certified financial statement. Our Dun & Bradstreet rating is 4A2.

Insurance

Following is a description of Barnes & Noble's insurance coverage:

- a. Worker's Compensation and Employer's Liability Insurance and such other insurance as may be required under applicable state statutes.
- b. Comprehensive General Liability Insurance subject to \$3,000,000 limits.
- c. Property Damage Liability Insurance in the amount of \$1,000,000.
- d. Motor Vehicle Liability Insurance with limits of \$100,000 per person, \$300,000 per occurrence and \$50,000 property damage.

Records

Barnes and Noble is the custodian of all books and records and maintain said records in its New York office and at the campus bookstore.

Authorization to do Business

Our corporate number is #132536119



GROSSMONT-CUYAMACA COMMUNITY COLLEGE DISTRICT

BID C3443
LEASE OF FACILITIES FOR BOOKSTORES

CUYAMACA COLLEGE
AND
GROSSMONT COLLEGE

DUE: JULY 12, 2001, 2:00 P.M.

Grossmont-Cuyamaca Community College District

Bid C3443
Lease of Facilities for Bookstores—
Cuyamaca College and Grossmont College

NOTICE TO BIDDERS

NOTICE IS HEREBY GIVEN that Grossmont-Cuyamaca Community College District, acting by and through its Governing Board, hereinafter referred to as the DISTRICT, will receive up to, but not later than 2:00 p.m. on July 12, 2001, sealed bids for the award of the following contract:

**BID C3443—LEASE OF FACILITIES FOR BOOKSTORES
CUYAMACA COLLEGE AND GROSSMONT COLLEGE**

Bids shall be received at the location specified below, and shall be opened at the stated time and place:

GROSSMONT-CUYAMACA COMMUNITY COLLEGE DISTRICT
Purchasing and Contracts/DISTRICT Annex Building
Attention: Barbara Starks, Director
8800 Grossmont College Drive
El Cajon, CA 92020-1799

Date of Opening: July 12, 2001

Time of Opening: 2:00 p.m.

Location of Opening: DISTRICT Annex Conference Room

Each bid must conform and be responsive to this Invitation and all other documents comprising the pertinent Contract Documents. Copies of the Contract Documents are now on file and may be obtained from the office of the Director of Purchasing and Contracts at the above address. The DISTRICT reserves the right to reject any or all bids, to accept or reject any one or more items of a bid, or to waive any irregularities or informalities in the bids or in the process. No bid may be withdrawn for a period of 90 after the date set for the opening of the bids.

Grossmont-Cuyamaca Community College District does not discriminate with regard to race, color, sex, national origin or physical disability in the award of contracts. Grossmont-Cuyamaca Community College District encourages responses from minority and woman Lessees, consultants and suppliers.

Timothy L. Caruthers
Secretary of the Governing Board
Grossmont-Cuyamaca Community College District
San Diego County
California

Publication & Date:
Daily Transcript
6/27/01, 7/2/01 and 7/9/01

TABLE OF CONTENTS

Notice to Bidders	1
Introduction	3
General Rules and Information Governing Competition	7
Instructions for Submittal of Bid and MANDATORY FORMAT.....	9
Information for Bidders	15
General Conditions	17
Specifications	23
College Service Guidelines.....	41
Lease Agreement—SAMPLE.....	43
BID FORM	45

EXHIBITS:

- A1: Current Cuyamaca College bookstore Floor Plan
- A2: Future Cuyamaca College Bookstore Plan
- B: Current Grossmont College Bookstore Floor Plan
- C: Resolution 01-020
Declaration of Intention to Lease Real Property on the Cuyamaca College and Grossmont College Campuses for Bookstore Operations
- D: California School Employees Association Agreement
- E: Supervisory/Confidential Employees' Handbook
- F: Position Descriptions
- G: Bookstore Positions and Pay Levels
- H: Bookstore Sales Historical Data
- I: State of California Chancellor's Office
Long Range Enrollment and WSCH Forecast 2000
- J: GCCCD FTES and Headcount Historical Data
- K: Lease of Bookstores RFB Analysis

REFERENCE MATERIALS:

- CUYAMACA COLLEGE—**
www.cuyamaca.net/
Academic Calendar 2000/2001
Administrative Structure
Catalog
Class Schedule
- GROSSMONT COLLEGE—**
www.grossmont.net
Academic Calendar 2000/2001
Organizational Chart
Catalog
Class Schedule Search

Grossmont-Cuyamaca Community College District

Bid C3443
Lease of Facilities for Bookstores—
Cuyamaca College and Grossmont College

1. INTRODUCTION

1.1. PURPOSE AND PROGRAM OBJECTIVES

- 1.1.1. The purpose of this Request for Bid (RFB) is to solicit bids for the lease of the bookstore areas of Cuyamaca College and Grossmont College, for the purpose of providing bookstore services to the students, faculty and staff of Cuyamaca College and Grossmont College.
- 1.1.2. The DISTRICT is seeking a qualified LESSEE to furnish all financial resources, management, equipment, goods and supplies necessary to manage and operate professional bookstores that will provide the highest caliber of services to the college communities. The DISTRICT's overall goal in soliciting a LESSEE to provide bookstore management services is to provide the highest possible financial return to the DISTRICT that is congruent with the equally important objective of maximum service to the students and faculty. It is essential that the bookstores be managed with maximum sensitivity to the needs and concerns of our students, faculty, and staff. Products, prices, and services must promote confidence that the college communities are obtaining the best possible combination of quality, customer service and price.
- 1.1.3. In order to achieve the goals of the DISTRICT's bookstore program, the LESSEE must adopt the following objectives in managing the bookstores:
- To provide the college communities with a full range of merchandise and services expected from a quality academic bookstore.
 - To have sufficient quantities of textbooks and related supplies and materials, as required or recommended by the faculty for college courses, including short-term and special courses, available for purchase by students at the specific times the items are needed.
 - To ensure that the specified editions of texts are available for sale.
 - To provide a wide selection of current trade, academic, and technical literature in support of required material for the academic disciplines of the college.
 - To offer a significant selection of soft goods such as office supplies, personal care items, college emblematic apparel, memorabilia, and other miscellaneous items.
 - To provide timely response to customers requiring special order literature and other such materials.
 - To provide textbooks at the lowest possible prices in accordance with the Textbook Pricing Policy in Item 6.19, (both stores shall use the same textbook pricing policy).
 - To provide other quality merchandise to the college communities under pricing policies that are both fair and competitive for like or similar quality, as compared to other college and university bookstores and also with retail establishments in the surrounding area.
 - To keep apprised of new merchandise of interest to the college communities.
 - To minimize out-of-stock situations on textbooks.
 - To provide for efficient customer traffic flow during rush periods and minimize time spent by customers in waiting lines.
 - To meet the needs of disabled persons. ADA requirements must be adhered to in all aspects of the management and operation of the bookstores.
 - To provide employment opportunities for the colleges' students.
 - To become involved in the academic, cultural, and social environment of the colleges, taking advantage of opportunities to offer special merchandising and other assistance based upon the colleges' ongoing and unique activities.
 - To service special program needs such as vouchers and direct program billings.

3

1.2. DISTRICT CONTACT PERSON

The DISTRICT contact person for this RFB is given below. BIDDERS requiring clarification of the intent of this RFB, or BIDDER who did not receive all the materials, must contact the DISTRICT Contact Person. Contact with any DISTRICT representative other than the DISTRICT Contact Person or designee regarding this RFB may disqualify the BIDDERS.

Barbara Starks
Director of Purchasing and Contracts
Grossmont-Cuyamaca Community College District
8800 Grossmont College Drive
El Cajon, CA 92020-1799
Phone: (619) 644-7799
Fax: (619) 644-7923
E-mail: barbara_starks@gcccd.net

1.3. DEFINITIONS:

- 1.3.1. BIDDER: Potential LESSEE submitting a bid.
- 1.3.2. BOOKSTORE: May mean one or both of the DISTRICT's two separate college bookstores.
- 1.3.3. COLLEGES or COLLEGE: Cuyamaca College and/or Grossmont College, the college campuses on which the leased facilities are and the college to receive the services from the leased facilities. Refer to area map and college addresses located within this document for exact locations.
- 1.3.4. COLLEGE DESIGNATED AGENT: After a contract is signed, if a COLLEGE is delegated specific authority for contract implementation, the representative of the COLLEGE will be the COLLEGE president.
- 1.3.5. CONTRACT and AGREEMENT: Shall be used interchangeably within this document.
- 1.3.6. DISTRICT or GCCCD: The Grossmont-Cuyamaca Community College District, a political subdivision of the State of California and the leasing agency on behalf of Cuyamaca College and Grossmont College. The term DISTRICT shall be used throughout this document to designate the rights and responsibilities of Grossmont-Cuyamaca Community College District.
- 1.3.7. DISTRICT CONTACT PERSON: the Director of Purchasing and Contracts.
- 1.3.8. DISTRICT DESIGNATED AGENT: After a contract is signed, the DISTRICT's designated agent will be the Vice Chancellor-Business Services. The DISTRICT's Designated Agent must sign any and all modifications or additions to the contract.
- 1.3.9. LESSEE: the BIDDER, if any, to whom the lease is granted.
- 1.3.10. LEASED PREMISES: The Cuyamaca College Bookstore and Grossmont College Bookstore; Exhibit A1 shows the current floor plan for the Cuyamaca College Bookstore, Exhibit A2 shows the future Cuyamaca College Bookstore plan, and Exhibit B shows the current floor plan for the Grossmont College Bookstore.
- 1.3.11. OFFICIAL PURCHASE: An official purchase is made by the DISTRICT, the Associated Students of Cuyamaca College, or the Associated Students' of Grossmont College using a Purchase Order, official warrant or check, or DISTRICT procurement card.
- 1.3.12. STAFF: Shall refer to the DISTRICT's administrative employees and faculty members.

4

1.4. KEY ACTION DATES:

Listed below are important times and dates related to this RFB, including deadlines by which certain actions must be taken. Any change to a key action date will be issued via addendum to all prospective BIDDERS.

%Advertisement of RFB:	6/27/01, 7/2/01, and 7/9/01
%Release of Request for Bid:	6/27/01
%Last Date for Clarifications:	7/6/01
%Deadline to Submit RFB:	7/12/01, 2:00 P.M.
%Bid Opening:	7/12/01, 2:00 P.M.
%Evaluations of Submissions:	7/13/01-7/20/01
%Award Contract	7/20/01
%Contract Effective Date	8/1/01

5

6

2. GENERAL RULES AND INFORMATION GOVERNING COMPETITION

- 2.1. **INTRODUCTION:** The competitive method used for this solicitation is a Request for Bid (RFB). The Board of Trustees will award a lease to the highest responsible and responsive BIDDER, or reject all bids. Selection of a LESSEE will be made through competitive procurement procedures. The following general rules and information are applicable to this RFB.
- ACTIONS BY THE DISTRICT:** As outlined under Key Action Dates (Section 1, Item 1.4), the DISTRICT will take the following actions:
- 2.2.1. Advertise this RFB in a newspaper of general circulation.
- 2.2.2. Mail the RFB to known potential BIDDERS and anyone responding to the advertisement.
- 2.2.3. Issue clarification addendum to RFB if necessary
- 2.2.4. Open bids at a public bid opening: **July 12, 2001 at 2:00 P.M.**
- 2.2.5. Determine fully responsive BIDDERS by evaluation of the bids, reference checks, financial statement analysis, and by site visitations.
- 2.2.6. Establish time and date of public presentation to the Board of Trustees' designee by the BIDDERS evaluated to be fully responsive.
- 2.2.7. At the public opening the Board of Trustees' designee will allow the fully responsive BIDDERS to verbally modify the financial terms. In this RFB the financial terms are the following:
- Yearly Lease Payment—Percentage of Gross Net Sales;
 - Value of Scholarships
 - Amount of Capital Improvements proposed and the level of proposed fiscal involvement of the DISTRICT.
 - Other Compensation or Financial Incentives in addition to the Percentage of Gross Sales; and
- 2.2.8. Award the contract.
- 2.3. **RFB AS PART OF THE FINAL CONTRACT:** At the DISTRICT's discretion, the content of this RFB may be incorporated into the final contract.
- 2.4. **ORAL COMMUNICATIONS:** Any oral communication by the DISTRICT's Contact Person or designee concerning this RFB is not binding and shall in no way modify the RFB or the obligation of the DISTRICT, BIDDER or LESSEE.
- 2.5. **AMENDMENTS TO RFB:** If it is necessary to amend the RFB, the DISTRICT will mail and send by facsimile formal amendments to all potential BIDDERS (Section 3, Item 3.3).
- 2.6. **SUBMISSION OF BIDS:** The delivery of a bid to the DISTRICT is the sole responsibility of the BIDDER. BIDDERS may deliver the RFB in person or may mail the RFB to the DISTRICT. Bids will not be accepted subsequent to the date and time specified in the NOTICE TO BIDDERS.
- 2.7. **IMMATERIAL DEFECT IN BID:** The DISTRICT may waive any immaterial deviation or defect in a bid. The DISTRICT's waiver in no way modifies the RFB documents or excuses the LESSEE from full compliance with the RFB if awarded the contract.
- 2.8. **NEWS RELEASES:** News releases pertaining to any award resulting from this RFB may not be made without the prior written approval of the DISTRICT Contact Person.
- 2.9. **DISPOSITION OF BIDS:** All materials submitted in response to this RFB become the property of the DISTRICT and will become a public record after the date and time for opening of the bids.
- 2.10. **USE OF DISTRICT EMPLOYEES' NAMES:** The successful BIDDER must agree not to use the names and addresses of DISTRICT employees for any purpose not directly related to this RFB.

7

3. INSTRUCTIONS FOR SUBMITTAL OF BIDS AND MANDATORY FORMAT

3.1. Invitation for Bids

Bids contemplates that the successful Bidder will lease and operate both bookstore facilities of the Grossmont-Cuyamaca Community College District, hereinafter referred to as GCCCD, or DISTRICT, for an initial period of ten years with two five-year options for extension based upon a performance evaluation by the DISTRICT.

3.2. Site Visits

Prospective bidders are advised to contact the Director of Purchasing and Contracts to schedule a site visit. Parties interested in submitting a Bid will be given an opportunity to visit the bookstore at each college and, to the extent possible, carefully examine the same. At the scheduled times, a college representative will lead tours of their bookstore facility which will provide access to areas not available to customers.

3.3. Bid Questions

- 3.3.1. Bidders requiring further information in connection with specifications for this RFB should submit written questions to the Director of Purchasing and Contracts via FAX at (619) 644-7923, e-mail at barbara.starks@gcccd.net, or via letter delivered by U.S. Mail or hand-delivered prior to April 30, 2001. Correspondence regarding Bid questions shall be marked: "URGENT: BID C3443 INQUIRY" and addressed to "ATTN: DIRECTOR OF PURCHASING AND CONTRACTS." Failure to appropriately mark inquiries may result in a delay in response or no response.
- 3.3.2. Any addendum to this RFB will be issued by regular U.S. mail service and/or FAX transmittal at least five calendar days prior to opening date and will be sent to all Bidders of record. Bidder must acknowledge receipt of any addendum in the space provided on the Bid Form.
- 3.3.3. Procedural questions regarding Bid preparation or submittal may be addressed to Barbara Starks, Director of Purchasing and Contracts, at (619) 644-7799, or via FAX to (619) 644-7923.
- 3.3.4. Bidders are warned that no other source is authorized to explain, interpret, or give information concerning the Bid document.

3.4. Submittal of Bids

- 3.4.1. Sealed Bids under the Request for Bid (RFB) number and title referenced above will be received by the DISTRICT until 2:00 p.m. local time on the date designated in the NOTICE TO BIDDERS, at which time they will be publicly received and opened. Any Bid received after the time and date specified will not be considered.
- 3.4.2. Bids will be accepted at one location only, as follows:

GROSSMONT-CUYAMACA COMMUNITY COLLEGE DISTRICT
Director of Purchasing and Contracts
DISTRICT Annex Building
800 Grossmont College Drive, Parking Lot #4
El Cajon, CA 92020-1799

If the above address is changed, all BIDDERS will be notified by mail. The envelope containing the proposal will clearly identify the BIDDER in the return address location. The envelope may be mailed or delivered in person, but delivery of the proposal is the sole responsibility of the BIDDER.

- 3.4.3. Mark exterior of submittal package with RFB C3443 and the submittal date and time. Bids delivered via courier or express mail must be designated for delivery to the Purchasing and Contracts Department in the DISTRICT Annex Building of the Grossmont-Cuyamaca Community College District and scheduled for delivery prior to 2:00 p.m. local time on the date designated for receipt of Bids.

9

2.11. EVALUATION OF BIDS

2.11.1. EVALUATION OF BIDDER'S CAPACITY TO PROVIDE SERVICES

- Evidence of Capacity to Provide Bookstore Services** (Section 3, Item 3.5.7): The DISTRICT's Vice Chancellor-Business Services will determine which bids have been made by responsible bidders who have presented the evidence of the capacity to provide the required bookstore services.
 - The Vice Chancellor's determination will be based upon the following criteria:
 - ◆ Company Identification
 - ◆ Personnel
 - ◆ Clients
 - ◆ Past Contracts
 - ◆ Resources
 - ◆ Marketing/Merchandising Plans
 - ◆ Financial Data
 - ◆ Records
 - ◆ Book Buy-Back Policy
 - ◆ Check Cashing Policy
 - ◆ Safety and Security Procedures
 - ◆ Used Books
 - ◆ Site Changes
 - ◆ Study Guides and Custom Publishing
 - ◆ Bid Forms
 - To be considered a responsive bid, the bid must demonstrate and the District must be able to verify that:
 - ◆ The bidder is successfully operating at least three college bookstores in California;
 - ◆ Each of those bookstores must have gross retail sales in excess of \$3,000,000; and
 - ◆ The BIDDER has not had a college bookstore contract terminated for egregious non-performance — the Vice Chancellor-Business Services shall determine if a non-performance termination is "egregious" as it applies to this RFB.
- 2.12. **PROCESS TO CALCULATE THE BEST FINANCIAL OFFER TO THE DISTRICT**
- 2.12.1. The analysis will consider only the following factors:
- Net Present Value of the commission percentages using an assumed level of sales.
 - Value of Scholarships.
 - Value Of Tenant Improvements
 - Other direct payments to the DISTRICT.
- 2.12.2. The calculation will be done by an elective spreadsheet. Exhibit K provides a blank and a "sample" copy of the spreadsheet to be used. The numbers in the "sample" version are for illustrative purposes only.
- 2.12.3. The highest responsive bid shall be finally accepted unless a higher oral bid is accepted or all bids are rejected. The acceptance will be conditional pending the verification of the information provided in the Evidence of Capacity to Provide Bookstore Services.

8

- 3.4.4. **NUMBER OF COPIES OF BID SUBMITTAL:** The DISTRICT requires seven (7) copies of BIDDER'S response. One of the copies shall be marked "Master" and will contain original signatures in all locations requiring a signature. The remaining six (6) copies do not require signatures.
- Bids must be submitted in a 3-ring binder; it must not be bound. The sections required below must be recorded in the same order in a table of contents with appropriate page and or section references for ease in locating required data.
- 3.4.5. As this is a request for sealed Bids, Bids received via FAX transmission will not be accepted.

3.5. FORMAT FOR BIDS—MANDATORY

This section prescribes the mandatory format for the development and presentation of a proposal. Each BIDDER must adhere to these requirements and submit all of the following documents. A bid may be rejected if it is conditional or incomplete. It is strongly suggested that the bid be presented in exactly the following order, and that it be tabbed to match the following sections.

- 3.5.1. **COVER LETTER:** The cover letter shall briefly summarize the BIDDER'S ability to perform the services specified in the RFB. The letter shall also state the BIDDER'S willingness to provide the products outlined in the RFB and to enter into a formal contract with the DISTRICT.
- 3.5.2. **TABLE OF CONTENTS:** Each proposal must include a Table of Contents with page references for the principal sections.
- 3.5.3. **DESCRIPTION OF SERVICES TO BE PROVIDED:** The BIDDER must state that it accepts the terms of the GENERAL CONDITIONS (Section 5) and SPECIFICATIONS (Section 6) of this RFB, fully, and understands they will become part of the Lease Agreement. If the BIDDER cannot accept any clause in that section, BIDDER is strongly encouraged to contact the Director of Purchasing and Contracts before submitting a Bid because such a modification may cause the Bid to be judged as not fully responsive.
- 3.5.4. **RENOVATION OR CAPITAL IMPROVEMENT WORK—CUYAMACA COLLEGE:** The BIDDER must include a Design Solution with the proposal in the following format for both the current and future location:
- Describe the Design Solution in words: Tell the DISTRICT what you plan to do and why; what you would like to do, but can't, and why.
 - Illustrate the Design Solution: Present floor plans, equipment layouts and elevations illustrating your design solution. Elevation renderings, color samples, artist renditions, and photographs of other similar installations would be helpful.
 - Price the Design Solution: Present a formal cost estimate for the solution.
 - Propose the financing of the Design Solution: Your financing proposal must contain the following components:
 - ◆ Total cost
 - ◆ Amount the LESSEE will fund initially
 - ◆ Amount the LESSEE expects the DISTRICT to fund initially
 - ◆ Amortization Schedule: If the DISTRICT were to terminate the Lease before its full ten-year term, how much would the LESSEE expect to be repaid by the DISTRICT for the initial capital improvements?
 - Timeline for Implementing the Design Solution: Assume the New Student Center will open for activity for the Fall Term, 2005.

10

- 3.5.5. RENOVATION OR CAPITAL IMPROVEMENT WORK—GROSSMONT COLLEGE: The BIDDER must include a Design Solution with the proposal in the following format:
- Describe the Design Solution in words: Tell the DISTRICT what you plan to do and why; what you would like to do, but can't, and why.
 - Illustrate the Design Solution: Present floor plans, equipment layouts and elevations illustrating your design solution. Elevation renderings, color samples, artist renditions, and photographs of other similar installations would be helpful.
 - Price the Design Solution: Present a formal cost estimate for the solution.
 - Propose the financing of the Design Solution: Your financing proposal must contain the following components:
 - ♦ Total cost
 - ♦ Amount the LESSEE will fund initially
 - ♦ Amount the LESSEE expects the DISTRICT to fund initially
 - ♦ The percent of Gross Sales the LESSEE will pay the DISTRICT for the Lease each of the ten years.
 - ♦ Amortization Schedule: If the DISTRICT were to terminate the Lease before its full ten-year term, how much would the LESSEE expect to be repaid by the DISTRICT for the initial capital improvements?
- 3.5.6. BID FORMS: Bidder shall complete and return the applicable Bid Forms. Omission of this document will result in the disqualification of the Bid.
- Financial Bid
 - ♦ Lease Payment
 - ♦ Yearly Retail Value of Book Scholarships
 - ♦ Yearly Retail Value of Other Scholarships
 - ♦ Renovation of Existing Cuyamaca College Bookstore
 - ♦ Tenant Improvements for New Cuyamaca College Bookstore
 - ♦ Renovation of Existing Grossmont College Bookstore
 - ♦ Additional Compensation or Financial Incentive, if any
 - Schedule of Service Discounts or Charges
 - ♦ Official Purchases
 - ♦ Personal Purchases by Staff
 - ♦ Discounts for Associated Student Members with Card
 - Schedule of Service Discounts or Charges
 - Textbook Refunds
 - List of Any Provisions or Restrictions Applicable to Bid
 - Bidder Information
 - Noncollusion Affidavit
 - Affirmative Action/Non-Discrimination Statement
 - Insurance Affidavit
 - Bid Bond: Each BIDDER is to include a \$5,000 Bid Bond (Page 50) to ensure that the successful BIDDER will enter into an agreement. The successful LESSEE shall submit a PERFORMANCE BOND of \$5,000 to ensure that the BIDDER will perform the services as specified in the bid. BIDDER may substitute cashier's checks for bonds.

11

- 3.5.10. PROPOSED ON-SITE MANAGEMENT: Describe the on-site, COLLEGE management that will be provided and its relationship to the next high level of management and/or ownership. Describe and illustrate the LESSEE's total management structure. If a specific on-site manager is included in the proposal, include his/her resume.
- 3.5.11. PROVISION OF AT LEAST THREE CURRENT OPERATION OF BIDDER'S THAT CAN BE VISITED BY DISTRICT REPRESENTATIVES: The BIDDER must provide the operations' names, addresses, phone numbers, and contact persons. Additionally, a brief description of why each site exemplifies the level of service that the BIDDER is proposing.
- 3.5.12. REFERENCE CHECKS: Each BIDDER must supply three business reference checks—these contacts must do business with the BIDDER'S current bookstore management and operation service.
- 3.5.13. FINANCIAL CAPACITY: List the financial documents that will be made available for inspection by the DISTRICT'S Vice Chancellor-Business Services and Controller if the BIDDER is considered as "Fully Responsive" based upon the other criteria. Note that providing the actual financial documents with the Bid is not required, but the statement that they will be available for inspection is required.
- 3.6. Right to Investigate
- The DISTRICT may make such investigations as it deems necessary to determine the ability of a potential LESSEE to provide satisfactory performance in accordance with specifications, and the Bidder shall furnish to the DISTRICT all such information and data for this purpose as the DISTRICT may request. The determination of the winning bid will not be final until the DISTRICT completes its investigation.
- 3.7. Right to Reject
- The DISTRICT reserves the right to reject any or all Bids, or any part thereof, and to waive any technicalities or informalities in the best interests of the DISTRICT.
- 3.8. Irrevocable Offer
- Bids shall be considered irrevocable offers for a period of 90 days from the date of receipt and may not be withdrawn during this period without consent of the DISTRICT.
- 3.9. Award of Contract
- It is anticipated that the Board of Trustees at a regularly scheduled meeting on May 16, 2001, will grant authority to the Chancellor or his designee to award this contract. The award will be made to the one responsible firm, which is judged to offer the most advantages to the DISTRICT. At the time of the formal award, the apparent successful firm must have agreed to contract terms representing the understandings between the parties as to terms and conditions which will govern the relationship of DISTRICT and LESSEE and the obligation of each party for performance of the agreement.
- 3.10. Execution of Contract
- In submitting a bid, the BIDDER agrees to execute a Lease Agreement incorporating bid documents, the BIDDER'S bid, Certificates of Insurance, Performance Bond (Page 39), and any other document in explanation thereof, which collectively shall constitute the contract.

13

- 3.5.7. Evidence of Capacity to Provide the Bookstore Related Services contained in the Specifications Section (Section 6) of this RFB. This evidence of capacity to provide bookstore services must contain the following tabbed sections:
- Company Identification: Name of company (including the name of any parent company if applicable), business address, telephone and FAX numbers, and names and titles of key personnel.
 - Personnel: Relevant information about the Bidder's management structure and depth, including resumes of key personnel and possible candidates for system and/or college store manager(s).
 - Clients: Names and addresses of all current on-site bookstore management operations by name of college or university, with contact persons and telephone numbers; include milestone dates associated with each contract.
 - Past Contracts: List of colleges or universities at which Bidder previously operated, but no longer operates, one or more bookstores. (Indicate all those terminated or relinquished within the past three years.)
 - Resources: Significant non-personnel resources and facilities which enhance the Bidder's capabilities, especially pertaining to access to textbook inventories. Provide information on systems used to track orders and inventories.
 - Marketing/Merchandising Plans: Provide an overview of your firm's marketing and merchandising plans for each college during the first year of operation.
 - Financial Data: Annual reports for the past two fiscal years of operation, or a complete balance sheet and income statement, with statement by a Certified Public Accountant, for the last two fiscal years of operation; or, if Bidder is not a publicly-held corporation, sufficient independent financial data to establish financial stability.
 - Records: Location and custodian of books and records.
 - Book Buy-Back Policy: Bidder's policy regarding purchase of used books from students.
 - Check Cashing Policy: Bidder's policy regarding cashing checks for both students and staff.
 - Safety and Security Procedures: Bidder's procedures, which address safety of bookstore facilities and security of bookstore operations, including steps to prevent the buy-back of stolen books and shoplifting.
 - Used Books: Bidder's access to used books for sale to students and information applicable to acquisition of used books; such as, sources of supply.
 - Site Changes: If the Bidder proposes to change any existing bookstore facility to accommodate its service methods or to update the facility, submit with the Bid detailed drawings showing the location, type of equipment, relocation, and remodeling of such facilities, the estimated cost of such changes, and appropriate justification. The DISTRICT reserves the right to participate or not participate in such modifications; such participation or nonparticipation being related to its overall evaluation of the Bid.
 - Study Guides and Custom Publishing: Describe the course book and custom publishing services that will be provided. Include the procedure for copyright clearances.
- 3.5.8. AUTHORIZATION TO DO BUSINESS: A BIDDER must be authorized to do business in California. If a BIDDER is a sole proprietorship, the BIDDER must furnish with the proposal a copy of a current business license issued in California. If the BIDDER is a corporation, it must furnish the corporate number issued by the Secretary of State with the bid.
- 3.5.9. STATEMENT OF BOOKSTORE MANAGEMENT AND OPERATION EXPERIENCE: BIDDER must provide evidence of three years of successful bookstore management and operation experience.

12

- 3.5.10. PROPOSED ON-SITE MANAGEMENT: Describe the on-site, COLLEGE management that will be provided and its relationship to the next high level of management and/or ownership. Describe and illustrate the LESSEE's total management structure. If a specific on-site manager is included in the proposal, include his/her resume.
- 3.5.11. PROVISION OF AT LEAST THREE CURRENT OPERATION OF BIDDER'S THAT CAN BE VISITED BY DISTRICT REPRESENTATIVES: The BIDDER must provide the operations' names, addresses, phone numbers, and contact persons. Additionally, a brief description of why each site exemplifies the level of service that the BIDDER is proposing.
- 3.5.12. REFERENCE CHECKS: Each BIDDER must supply three business reference checks—these contacts must do business with the BIDDER'S current bookstore management and operation service.
- 3.5.13. FINANCIAL CAPACITY: List the financial documents that will be made available for inspection by the DISTRICT'S Vice Chancellor-Business Services and Controller if the BIDDER is considered as "Fully Responsive" based upon the other criteria. Note that providing the actual financial documents with the Bid is not required, but the statement that they will be available for inspection is required.
- 3.6. Right to Investigate
- The DISTRICT may make such investigations as it deems necessary to determine the ability of a potential LESSEE to provide satisfactory performance in accordance with specifications, and the Bidder shall furnish to the DISTRICT all such information and data for this purpose as the DISTRICT may request. The determination of the winning bid will not be final until the DISTRICT completes its investigation.
- 3.7. Right to Reject
- The DISTRICT reserves the right to reject any or all Bids, or any part thereof, and to waive any technicalities or informalities in the best interests of the DISTRICT.
- 3.8. Irrevocable Offer
- Bids shall be considered irrevocable offers for a period of 90 days from the date of receipt and may not be withdrawn during this period without consent of the DISTRICT.
- 3.9. Award of Contract
- It is anticipated that the Board of Trustees at a regularly scheduled meeting on May 16, 2001, will grant authority to the Chancellor or his designee to award this contract. The award will be made to the one responsible firm, which is judged to offer the most advantages to the DISTRICT. At the time of the formal award, the apparent successful firm must have agreed to contract terms representing the understandings between the parties as to terms and conditions which will govern the relationship of DISTRICT and LESSEE and the obligation of each party for performance of the agreement.
- 3.10. Execution of Contract
- In submitting a bid, the BIDDER agrees to execute a Lease Agreement incorporating bid documents, the BIDDER'S bid, Certificates of Insurance, Performance Bond (Page 39), and any other document in explanation thereof, which collectively shall constitute the contract.

14

4. INFORMATION FOR BIDDERS

4.1. Information about Cuyamaca College

4.1.1. GENERAL INFORMATION: All bidders are referred to two valuable DISTRICT Web Sites:

a. www.cuyamaca.net, which includes the following items:

- ♦ Class Schedule
- ♦ College Catalog
- ♦ College Calendar

b. www.ccccd.net/gcccd/DISTRICT/facilities/cuyamacamp.pdf, which is the complete Cuyamaca College Facilities Master Plan.

4.1.2. STUDENT HEAD COUNTS (see Exhibit J for historical data)

a. Summer Session 2000

- ♦ 1,697 Pure Day
- ♦ 219 Day/Night
- ♦ 1,916 Defined Day
- ♦ 852 pure Night

b. Fall Semesters 2000

- ♦ 3,863 Pure Day, students enrolled in day classes only
- ♦ 1,426 Day/Night, students enrolled in day and night (4:30 or later) classes
- ♦ 5,289 Defined day, Total of students enrolled in Pure Day and/or Day/Night classes
- ♦ 1,584 Pure Night, students enrolled in night classes only

c. Spring Semesters 2001

- ♦ 4,254 Pure Day, students enrolled in day classes only
- ♦ 1,493 Day/Night, students enrolled in day and night (4:30 or later) classes
- ♦ 5,747 Defined day, Total of students enrolled in Pure Day and/or Day/Night classes
- ♦ 1,566 Pure Night, students enrolled in night classes only.

4.1.3. STAFF COUNTS

During the Spring and Fall Semesters, there are over 580 full-time equivalent staff in addition to the student counts at the Cuyamaca College site. The staff counts during the Summer Session drop to approximately 370.

Additionally, there will be at least two major construction projects in progress during the 00/01 and 01/02 fiscal years—it is not known how many construction workers will be involved.

4.1.4. HISTORICAL & ESTIMATED SALES VOLUMES

- ♦ 96/97: \$1,090,923, Actual reported by current LESSEE
- ♦ 97/98: \$1,195,468, Actual reported by current LESSEE
- ♦ 98/99: \$1,319,402, Actual reported by current LESSEE
- ♦ 99/00: \$1,446,480, Actual reported by current LESSEE
- ♦ 00/01: \$1,519,000, Estimated based on sales to date and student growth

4.1.5. FLOOR PLAN OF CUYAMACA COLLEGE BOOKSTORE

- a. Exhibit A1 is the floor plan of the existing space to be leased.
- b. BIDDERS are responsible for verifying measurements and for exercising due diligence concerning the verification of the physical space, utilities, etc. in the existing space.
- c. Exhibit A2 is a floor plan of the planned bookstore space in the proposed Student Center. Bidders shall assume that the dimensions are correct in the preparation of their proposals;

15

5. GENERAL CONDITIONS

5.1. General

The DISTRICT, desires to contract for the management and operation of the bookstore facilities to the firm, corporation, individual, or institution, hereinafter referred to as LESSEE, which proposes to operate the DISTRICT's bookstores in accordance with the terms, conditions, and specifications of RFB No. 815-
C3443

5.2. Competition

A contract resulting from this RFB shall be for exclusive operation at the DISTRICT's on-site bookstore location.

5.3. Contract Term/Renewal

The initial term of the contract shall be for a period of ten years, beginning, at the DISTRICT'S discretion, on or about July 1, 2001, with two five-year options for extension based upon a performance evaluation by the DISTRICT

5.4. Representatives of Parties

5.4.1. For the purposes of all notices, consents, and approvals herein required by either of the parties, their respective representatives shall be:

- a. For the DISTRICT - Vice Chancellor-Business Services or designee and the Director of Purchasing and Contracts. The College Presidents, shall designate the Site Representatives after the award of the contract.
- b. For the LESSEE - the LESSEE's representative and/or location supervisor or manager, as designated by the LESSEE upon assumption of the contract.

5.5. Termination of Contract

5.5.1. The DISTRICT reserves the right to terminate any contract awarded through this RFB by providing 60 day written notification to the LESSEE.

5.5.2. Causes for terminating this contract may include, but are not limited to:

- ♦ Failure to meet and maintain minimum insurance requirements;
- ♦ Failure to provide timely acquisition of an inventory of required textbooks;
- ♦ Failure to maintain appropriate operating hours;
- ♦ Failure to cooperate with college personnel to meet service requirements;
- ♦ Failure to make accurate and timely reports, and commission payments;
- ♦ Failure to employ qualified personnel, adequate in number and level of training, for the efficient operation of the bookstores.
- ♦ Any other breach of this contract.

5.3. In the event of termination by the DISTRICT, a Notice of Termination shall be sent by the DISTRICT'S Director of Purchasing and Contracts, via certified U.S. mail to the LESSEE'S representative. Likewise, LESSEE shall communicate Notice of Termination to the DISTRICT'S Director of Purchasing and Contracts, via certified U.S. mail.

5.5.4. In the event of termination of this contract, the LESSEE shall continue all services under this contract until the date specified in the Notice of Termination unless special circumstances exist which preclude continuation of service; such circumstances may include, but are not limited to, dishonesty or Acts of God.

5.5.5. The LESSEE shall, for a period of six months prior to the expiration date of the contract, allow access to bookstore facilities at all reasonable times by persons making a Bid for a successor agreement, and during the final two weeks prior to the expiration the LESSEE agrees to allow access to

however, it is understood and agreed that the actual floor plans will vary by the time of construction.

4.2. Information about Grossmont College

4.2.1. GENERAL INFORMATION: All bidders are referred to two valuable DISTRICT Web Sites:

a. www.grossmont.net, which includes the following items:

- ♦ Class Schedule
- ♦ College Catalog
- ♦ College Calendar
- ♦ Bookstore

b. www.ccccd.net/gcccd/DISTRICT/facilities/grossmontmp.pdf, which is the complete Grossmont College Facilities Master Plan.

4.2.2. STUDENT HEAD COUNTS (see Exhibit I for historical data)

a. Summer Session 2000

- ♦ 4,372 Pure Day
- ♦ 707 Day/Night
- ♦ 5,079 Defined Day
- ♦ 2,109 pure Night

b. Fall 2000 Semesters

- ♦ 8,264 Pure Day, students enrolled in day classes only
- ♦ 4,326 Day/Night, students enrolled in day and night (4:30 or later) classes
- ♦ 12,590 Defined day, Total of students enrolled in Pure Day and/or Day/Night classes
- ♦ 3,645 Pure Night, students enrolled in night classes only

c. Spring 2001 Semester

- ♦ 8,187 Pure Day, students enrolled in day classes only
- ♦ 4,290 Day/Night, students enrolled in day and night (4:30 or later) classes
- ♦ 12,477 Defined day, Total of students enrolled in Pure Day and/or Day/Night classes
- ♦ 3,606 Pure Night, students enrolled in night classes only

4.2.3. STAFF COUNTS

During the Spring and Fall Semesters, there are over 1400 full-time equivalent staff in addition to the student counts at the Grossmont College site; this figure includes DISTRICT staff. The staff counts during the Summer Session drop to approximately 900.

Additionally, there will be at least two major construction projects in progress during the 00/01 and 01/02 fiscal years - it is not known how many construction workers will be involved.

4.2.4. HISTORICAL & ESTIMATED SALES VOLUMES:

- ♦ 96/97: \$2,916,247, Actual reported by current LESSEE
- ♦ 97/98: \$3,125,574, Actual reported by current LESSEE
- ♦ 98/99: \$3,436,048, Actual reported by current LESSEE
- ♦ 99/00: \$3,497,918, Actual reported by current LESSEE
- ♦ 00/01: \$3,500,000, Estimated based on sales to date and student growth

4.2.5. FLOOR PLAN OF GROSSMONT COLLEGE BOOKSTORE

- a. Exhibit B is the floor plan of the spaces to be leased.
- b. BIDDERS are responsible for verifying measurements and for exercising due diligence concerning the verification of the physical space, utilities, etc.

16

bookstore facilities by the successor LESSEE for the purpose of providing continuity of service. In such latter event, the DISTRICT shall ensure that the successor LESSEE shall not interrupt or disturb the LESSEE'S performance of the agreement while exercising the privilege granted hereunder.

5.5.6. All personal property placed on the premises by the LESSEE shall be removed on or before the expiration of the contract. In the event of termination, the LESSEE shall have seven days, exclusive of Saturdays, Sundays, and holidays, after Notice of Termination in which to remove its property. If the LESSEE shall fail to remove its property upon the expiration or termination of service, the DISTRICT may, at its option, as agent for the LESSEE, and at the LESSEE'S risk and expense, remove such property to a public warehouse, retain the same in its own possession, and after the expiration of 30 calendar days, sell the same at public auction, the proceeds of which shall be applied first to the expense of the sale; secondly, to any sums owed by the LESSEE to the DISTRICT, and any balance remaining shall be paid to the LESSEE. The LESSEE shall pay any excess of the cost of removal after the proceeds of sale.

5.6. Force Majeure

Neither the DISTRICT nor the LESSEE shall be responsible for delays or failures in performance resulting from acts beyond the reasonable control of either party. Such acts shall include but not be limited to acts of God, riots, acts of war, governmental regulations superimposed after the act, earthquakes or other causes beyond the reasonable control of either party. In the event of any occurrence, which a party considers may cause a delay or failure of performance, the party affected shall promptly notify the other party.

5.7. Assignment of Contract

The contract entered into for the performance of these specifications may not be, in whole or any part, assigned or transferred, directly or indirectly, without the prior written consent of the DISTRICT.

5.8. Changes to Contract Terms

5.8.1. If experience or special circumstances dictate the need for modifications in the level or variety of services at any location, it shall be specifically understood and agreed that such modifications may be implemented by mutual agreement without voiding in any manner the contract executed by the parties at the beginning of the contract term.

5.8.2. Any changes, additions, deletions, or modifications, which materially change operation of one or more bookstores, shall be made by written amendment and signed by the DISTRICT and the LESSEE.

5.9. LESSEE'S Business Activities

5.9.1. The LESSEE, and any subLESSEE, shall agree to not enter into any on-site business activity, which is incompatible with the purpose and mission of an institution of higher learning.

5.9.2. The LESSEE, and any subLESSEE, shall agree not to operate any part of its business or any other business, which deals in items sold on the DISTRICT'S campuses within a two mile radius of any of the DISTRICT'S colleges. The LESSEE shall conduct the business of bookstore operations strictly within the physical limits of each college campus.

5.9.3. Determination of what constitutes inappropriate business activity or competition shall rest with the DISTRICT.

5.10. Ordinances Laws and Regulations

5.10.1. The LESSEE shall comply with all ordinances, laws, and regulations pertaining to the operation contemplated hereby; including, but not limited to, the California Workers' Compensation Act, the Federal Equal Employment Opportunities Act, and the Americans With Disabilities Act. The LESSEE shall apply for, obtain, and maintain in force all permits and licenses required by the various agencies of Federal, State, and local government having jurisdiction over the LESSEE'S operations.

18

5.11. Cost of Operation

The LESSEE shall operate on its own credit and shall furnish at its own expense all textbooks and merchandise necessary for the performance of the contract. All incoming shipments of textbooks and merchandise shall be to the LESSEE's account, and under no circumstances may any such shipments be made or invoiced to the DISTRICT. The LESSEE shall maintain a prompt payment record with its suppliers.

5.12. Insurance Requirements

- 5.12.1. The enclosed Insurance Requirement Affidavit must be completed, notarized, and returned with the Bid. The affidavit will determine compliance with the following insurance requirements. Failure to furnish the Insurance Requirement Affidavit with returned Bid will result in Bid being declared nonresponsive and Bidder will be ineligible for the award.
- 5.12.2. The LESSEE, and any subLESSEE (if applicable), shall carry insurance with policy limits not less than those specified in the BID FORM Insurance Affidavit, Page 49.
- Note: The DISTRICT shall be named as an additional insured party on LESSEE's general liability policy and any excess/umbrella liability insurance policies.
- 5.12.3. The certificate of insurance shall state that the LESSEE agrees to waive subrogation against the DISTRICT, its officers, employees, and elected representatives for injuries, including death, property damage, or any other loss to the extent same may be covered by the proceeds of insurance, including the deductible portions thereof. Certificates of insurance shall evidence the waivers of subrogation.
- 5.12.4. All provisions of this agreement concerning liability, duty, and standard of care together with the indemnification provision, shall be underwritten by contractual liability coverage sufficient to include such obligations within applicable policies.
- 5.12.5. Insurance certificates for the stated requirements must be furnished to the Director of Purchasing and Contracts prior to commencement of work.
- 5.12.6. Insurance shall be written by companies licensed to transact business in the State of California.
- 5.12.7. The LESSEE shall furnish the DISTRICT certificates evidencing the required insurance, which shall not be cancelable unless 30 calendar days advance notice is given to the certificate holder. When requested by the DISTRICT, copies of any of the LESSEE's policies must be furnished; otherwise, the DISTRICT shall require certificates only.
- 5.12.8. It shall be the LESSEE's responsibility to ensure that new and replacement certificates of insurance are submitted to the Director of Purchasing and Contracts as they are issued or changed; also, the Director of Purchasing and Contracts shall be notified if a listed coverage will not be renewed at time of expiration. Certificates shall be mailed to the following address:
- GROSSMONT-CUYAMACA COMMUNITY COLLEGE DISTRICT
Attn: Director of Purchasing and Contracts
8800 Grossmont College Drive
El Cajon, CA 92020-1799
- 5.12.9. Approval, disapproval, or failure to act by DISTRICT regarding any insurance supplied by LESSEE shall not relieve LESSEE of full responsibility or liability for damages and accidents as set forth in the contract documents. Neither shall the bankruptcy, insolvency, or denials of liability by the insurance company exonerate LESSEE from liability.
- 5.12.10. The DISTRICT shall make no special payment any insurance that the LESSEE may be required to carry.

19

5.19. Obligation of Bidder

At the time of the submittal of Bids each Bidder will be presumed to have inspected the sites and to have read and to be thoroughly familiar with the contract documents. The failure or omission of any Bidder to thoroughly inspect the sites, or to examine any form, instrument or document shall in no way relieve any Bidder from any obligation in respect to this Bid.

5.13. Indemnification

The LESSEE, in performing its obligations under this agreement, is acting independently and the DISTRICT assumes no responsibility or liability for LESSEE's acts or omissions to third parties and LESSEE agrees to indemnify and hold harmless the DISTRICT, its officers and employees, against any and all claims, lawsuits, judgments, costs and expenses for personal injury (including death), property damage or other harm for which recovery of damages is sought, suffered by any person or persons that may arise out of or be occasioned by LESSEE's breach of the terms or provisions of this agreement, or by any negligent act or omission of LESSEE, its officers, agents, employees or invitees in the performance of this Agreement, except that the indemnity specified in this paragraph shall not apply to any liability resulting from the sole negligence of the DISTRICT, its officers or employees, and in the event of joint and concurrent negligence of both the LESSEE and the DISTRICT, responsibility and indemnity, if any, shall be apportioned comparatively in accordance with the laws of the State of California; without, however, waiving any governmental immunity available to the DISTRICT under California law and without waiving any defense of the parties under California law. This paragraph is solely for the benefit of the LESSEE and DISTRICT and not intended to create or grant any rights, contractual or otherwise, to any other person or entity.

5.14. Risk of Loss

- 5.14.1. The LESSEE shall bear the full responsibility for all risk of loss resulting from vandalism or theft of money or merchandise.
- 5.14.2. The DISTRICT shall furnish property damage insurance on the physical premises for the bookstore(s).
- 5.15. **Relocation of LESSEE:** The DISTRICT reserves the right to relocate LESSEE into another space or building within a college campus at no change to the contract terms. The new space or building shall be reasonably similar and reasonably suitable for LESSEE's bookstore operations.
- 5.16. **Access by DISTRICT**

The DISTRICT shall have complete access to the bookstore areas at all times in order to evaluate the LESSEE's performance of any of the terms of the contract.

5.17. Supplier Base

In the operation of college bookstores, the successful LESSEE shall utilize reputable publishers and distributors as sources for supplies. Additionally, wherever feasible, the LESSEE must consider utilizing disadvantaged/minority/woman-owned businesses for books, office supplies, and sundry items. The DISTRICT reserves the right to require reports evidencing the LESSEE's utilization of disadvantaged/minority/woman-owned firms as suppliers.

5.18. Auditable Records

The LESSEE shall maintain such account books and records in connection with its performance of the contract as may be reasonably required by the DISTRICT, including adequate cash register detail to support reports of gross sales. Such books and records shall be available locally or be made readily accessible with reasonable notice. The LESSEE shall provide the DISTRICT with notice in writing of the location, by address, of all such books and records and the name of the custodian thereof. The LESSEE shall, at any reasonable time DURING THE CONTRACT TERM AND FOR A PERIOD OF NOT LESS THAN TWO YEARS FOLLOWING THE COMPLETION OF WORK UNDER THE CONTRACT, afford the DISTRICT's agents and auditors reasonable facilities and access for the examination and audit of its records pertaining to the performance of the contract and shall, upon request by the DISTRICT, produce and exhibit all such records.

20

6. SPECIFICATIONS**6.1. Scope of Operations**

- 6.1.1. **CCCC Bookstores:** The Grossmont-Cuyamaca Community College District (DISTRICT) operates two (2) two-year community colleges and frequently conducts classes in several off-campus locations, located in San Diego County, California. The services to be performed by the successful Bidder (LESSEE) shall be at each of the DISTRICT's colleges; and, more particularly, in the areas at each location designated by DISTRICT for bookstore operations; and, additionally, to provide support of registration at off-campus sites as required.
- 6.1.2. **Merchandising Rights:** LESSEE shall have exclusive rights to manage and operate the full service bookstores located at the colleges, offering all goods and services normally found in college bookstores and any additional services the colleges may require during the term of the contract. The colleges shall grant the LESSEE the right to sell college licensed products; however, the right is not exclusive. The license fee to be paid by the LESSEE shall be 6.5%. LESSEE's exclusive rights do not include merchandise and services currently sold elsewhere within the colleges by departments, student organizations, or through other existing arrangements.
- 6.1.3. **Other Retail Sales Operations:** The colleges, subject to their own discretion, shall retain the right to provide other retail sales operations on campus, operated directly or through other contract arrangements. However, such other retail sales operations will not unreasonably compete with the primary bookstore merchandise categories (i.e., textbooks, trade and reference books, supplies, and emblematic items).
- 6.1.4. **Operating Schedule:** The LESSEE will be required to operate the bookstores on a 12-month basis, based on the colleges' academic calendar (see REFERENCE MATERIALS listing on Table of Contents). The colleges reserve the right, upon consultation with the LESSEE, to recommend changes to service hours, plans or other methods of operation of the bookstores.
- 6.1.5. **Store Locations:** The space currently in use on the two campus sites, or as projected to be available at the beginning date of the contract or as otherwise described herein, will be provided to LESSEE. Store sites are subject to change by the DISTRICT if renovations or spatial reconfigurations dictate changes. Every effort will be made to provide a comparable space and location.
- 6.1.6. **Ownership of Merchandise Inventories:** LESSEE shall own all inventories of merchandise and materials DISTRICT's bookstores, in which merchandise ordinarily sold in college/university student bookstores may be sold for reasonable profit, subject to such limitations and restrictions as may be established by DISTRICT, following due notice, in the best interest of the institution.
- 6.1.7. **Operation of Bookstores:** Effective with the date of the contract, and until the termination thereof, the DISTRICT agrees that it will not permit books or articles of the types normally stocked in the DISTRICT's bookstores to be sold, or offered for sale, on any of its campuses, for profit or otherwise, by any individual or entity, under any circumstances which could reasonably be construed as duplicating, or competing with, the selling efforts of the LESSEE while engaged in the operation of the DISTRICT's bookstore(s). However, DISTRICT has no control over competing bookstore operations located near any of its two colleges, which are operated as retail establishments independent of the DISTRICT's control. This subparagraph does not apply to college-sponsored activities or events.
- 6.1.8. **Customer Service:** In order to determine that superior customer service is being provided to the DISTRICT, a method to assess customer service shall be agreed upon by the DISTRICT and the LESSEE.
- 6.1.9. **Financial Returns to the DISTRICT:** The LESSEE shall guarantee a minimum net dollar financial return to the DISTRICT.

23

6.2. Management Responsibility

- 6.2.1. LESSEE agrees to be completely responsible for the management of all the bookstore services it operates under the contract. The LESSEE shall assume all bookstore operating costs including, but not limited to, inventory, labor (including management and supervisory), fringe benefits, payroll taxes, insurance, telephone (except as noted in Item 6.10), equipment repairs/replacement, in-store security, and custodial services.
- 6.2.2. LESSEE agrees to abide by the required hours of operation as prescribed at each location in order to satisfactorily service both students and college staff, and to provide the personnel necessary to manage the bookstore operations in an efficient manner. Changes in hours of operation must be negotiated with DISTRICT's designated Site Representative at each location.
- 6.2.3. The bookstores operated by the LESSEE shall be operated in the existing bookstore spaces. Additions to or deletions from the existing spaces may be made but must be agreed upon in writing by the LESSEE and the DISTRICT's designated representative.
- 6.2.4. LESSEE shall have written policies and procedures that are congruent with the DISTRICT's policies and procedures.
- 6.2.5. LESSEE shall comply with all applicable laws, codes and regulations.
- 6.2.6. LESSEE shall provide property and casualty insurance covering the LESSEE's equipment and other personal property in the bookstores. The DISTRICT will provide property and casualty insurance, under the DISTRICT's policy, covering bookstore spaces and fixtures and equipment owned by the DISTRICT.
- 6.2.7. LESSEE shall provide special order service and other such sale services, such as class ring, cap and gown, commencement announcements, as are requested by the colleges. Commissions from these sales must be included in the gross sales. Commissions received from the sale of wholesale books sold back to other book companies will not be included in gross sales.
- 6.2.8. LESSEE shall cooperate with the colleges' auxiliary organizations in joint marketing of soft goods with a percentage of sales, as agreed upon by the LESSEE, the colleges, and the auxiliary organizations, being paid to the auxiliary organizations. Any percentage so paid to the auxiliary organizations will not be deducted from the commissions due the colleges.
- 6.2.9. LESSEE shall promote book signing and other academic and scholarly events.
- 6.2.10. LESSEE must pay its bills in a timely manner and take advantage of discounts when earned.
- 6.2.11. LESSEE shall bear any loss resulting from dishonest acts on the part of its employees.
- 6.2.12. The LESSEE shall be solely responsible for the disposition of any and all damaged or surplus books, supplies, tools, materials, and other damaged or surplus merchandise, regardless of the cause thereof.
- 6.2.13. It is understood that the DISTRICT may establish a Bookstore Advisory Committee. The LESSEE's bookstore management shall meet regularly with the Bookstore Advisory Committee, if established, and with DISTRICT officials to review bookstore operations. Further, the LESSEE's bookstore management shall work cooperatively with the DISTRICT and colleges' shared governance structures, and with college officials, in the development and improvement of the bookstores' program, services and policies. The LESSEE shall make every reasonable effort to comply with requests from the Bookstore Advisory Committee and from college officials for the improvement of the bookstores' program, services and policies. The bookstore managers, or his/her designee, are also expected to meet periodically with Deans, Chairpersons, and other faculty members.
- 6.2.14. LESSEE will designate a representative to meet with the representative of DISTRICT at such place and time as may be designated by DISTRICT to discuss problems and to initiate any change in the

24

operations for improvement of bookstore services that may be mutually agreed upon by such representatives.

6.3. Relationship of Parties

- 6.3.1. Notwithstanding any other provision hereof, the relationship of the LESSEE to the DISTRICT shall be that of an independent LESSEE.
- 6.3.2. The DISTRICT shall have no direct supervision of employees of the LESSEE; any communication of employee matters shall be through the designated representatives of the parties.
- 6.3.3. The LESSEE shall be expected to work amicably with faculty groups and organizations, students and student service organizations, and shall, through its representatives, agents, and employees at each college, demonstrate its best efforts to integrate its performance of the contract with the overall pattern of the college community.
- 6.3.4. All receipts from the bookstore operation shall belong to the LESSEE, except for payments due the DISTRICT.

6.4. LESSEE's Employees

- 6.4.1. The LESSEE shall employ qualified personnel, adequate in number, training, and experience, to provide for the efficient management and operation of the bookstores in accordance with the specifications.
- 6.4.2. The LESSEE may designate a DISTRICT Manager, who is trained and experienced in the management and operation of facilities comparable to those encompassed by these specifications, to coordinate bookstore operations at all locations for the DISTRICT. If a DISTRICT Manager will be utilized, the LESSEE shall consult with the DISTRICT's representatives regarding the qualifications and the suitability of the proposed DISTRICT Manager for the management of the DISTRICT's facilities.
- a. Any candidate for manager of an individual campus bookstore shall be subject to approval by the DISTRICT's designated representative of the respective college.
- 6.4.3. The DISTRICT reserves the right to require the removal of any personnel deemed unsatisfactory by the DISTRICT.
- 6.4.4. The LESSEE shall ensure that all of their employees engaged in the performance of the contract shall adhere to all campus regulations regarding personal behavior, and demonstrate courtesy to patrons of the bookstore facilities.
- 6.4.5. Personnel relations of the LESSEE's employees shall be the LESSEE's responsibility, including compliance with all applicable governmental regulations related to the employment of personnel.
- 6.4.6. LESSEE shall demonstrate its commitment to Equal Opportunity, Affirmative Action, practices with reference to employment, training, job assignment, promotion, transfer, layoff or termination, and rates of pay.

DISTRICT Bookstore Personnel

- 6.5.1. **Adequacy:** LESSEE is to provide sufficient personnel to ensure efficient and courteous service to patrons and must have adequately trained relief personnel available to substitute in absence of regular employees.
- 6.5.2. **Regular Employees:**
- a. With the exception of the manager of each bookstore, all regular employees of the bookstore shall be employees of the DISTRICT. Exhibit G lists the currently approved and filled positions and pay levels in the DISTRICT's bookstores. The LESSEE must agree to ensure that regular employees (hereinafter referred to as "regular employees") are treated in accordance with

applicable federal and state laws, including the California Education Code, collective bargaining agreements, and Governing Board policies and procedures and institutional expectations.

- b. To fill a vacant position, the DISTRICT and the LESSEE using a process congruent with the California School Employees Association (CSEA) agreement, Governing Board policies and procedures, and any applicable state or federal law shall conduct the selection process. The DISTRICT and LESSEE shall mutually determine the composition of the screening committee with at least one (1) representative appointed by both the DISTRICT and LESSEE. Finalists shall be recommended to the appropriate college administrator for recommendation to the Chancellor. The DISTRICT shall not charge a fee to the LESSEE for the services of the DISTRICT's Personnel office in the selection process for regular staff.
- c. Furthermore, LESSEE agrees to abide by the applicable terms and conditions of the collective bargaining agreement between the DISTRICT and Chapter 707 of the CSEA. That agreement is attached as Exhibit D. The first line administration of the terms and conditions of the CSEA agreement shall be between the contract CSEA employee and a DISTRICT employee. The DISTRICT employee could be the assistant manager or, in the case where there is not an assistant manager, the college's Business Manager. Other than in the administration of the terms and conditions of the CSEA agreement, the bookstore manager may schedule, provide work assignment, train, direct, etc., regular employees.
- d. Within the above requirements, DISTRICT and LESSEE mutually agree to work to resolve personnel issues in a cooperative and timely manner in order to implement LESSEE's bookstore management program contained in the Bid. The LESSEE agrees to pay to the DISTRICT costs of all salaries and benefits of DISTRICT employees assigned to the bookstore, which benefits include the normal payroll costs, OASI, FICA, Worker's Comp, Unemployment, medical and dental, as well as retirement, sick leave and annual leave benefits. The DISTRICT will invoice LESSEE monthly for these salaries and benefits; the LESSEE will agree to reimburse DISTRICT for these costs within 15 working days of receipt of the invoice.
- e. The LESSEE shall be responsible for any salary and benefit increases negotiated between the bargaining unit and the DISTRICT. For budgeting purposes only, the Bid should assume a 2.0% (two percent) increase annually in addition to the costs in Exhibit G.
- 6.5.3. **Student/Temporary Short Term/Substitute:** Existing intermittent employees are to be provided interviews and preference for continued employment with the LESSEE. Student or temporary employees of the LESSEE are not to be paid less than minimum wage. The LESSEE is allowed to utilize work-study students in the bookstore when they are available.
- 6.5.4. **Employment Policies:** LESSEE employment policies for employees of the LESSEE shall meet the requirements of the Fair Labor Standards Act and all other regulations required by federal or state law. All material relating to personnel policies and procedures of the bookstore must be available for review by the DISTRICT.
- 6.5.5. **Equal Opportunity and Affirmative Action:** The DISTRICT is committed to Equal Opportunity and Affirmative Action. The LESSEE must pledge to comply with Equal Opportunity Laws and that it will not discriminate against any employee or applicant for employment because of race, color, creed, religion, national origin, sex, age, physical ability, or marital status.
- 6.5.6. **Managers:** The DISTRICT must approve the Bookstore Manager assigned to the bookstore by the LESSEE. Subsequent changes in these assignments are to be made by the LESSEE only after prior consultation with, and approval of the DISTRICT. The person selected by the LESSEE to manage a bookstore is to have extensive experience in the management of bookstores serving a college community. This person must be a good communicator, a proven leader, and must exhibit the ability to deal effectively with college students and staff. LESSEE may assign one General Manager to be responsible for both college bookstores.

- 6.5.7. **Manager Replacement:** The DISTRICT reserves the right to request replacement of the bookstore manager for good cause as determined by the DISTRICT, or for actions considered to be not in the best interest of the DISTRICT. Such action will be taken only after consultation with LESSEE administrators.
- 6.5.8. **Training:** The LESSEE is to describe the training program(s) that it intends to use for the employees of the bookstores, which will ensure that ongoing staff developmental needs are met.
- 6.5.9. **Performance Evaluation:** The DISTRICT reserves the right to participate in the annual performance evaluation of the Bookstore Manager.
- 6.5.10. **Conduct:** LESSEE employees must strictly adhere to campus regulations regarding personal behavior and all other rules and regulations of the DISTRICT.
- 6.5.11. **Release Time:** The LESSEE shall release employees for required shared governance and bargaining unit activities as mutually agreed between the DISTRICT and the LESSEE.
- 6.6. **Maintenance of Premises**
- 6.6.1. **DISTRICT:**
- DISTRICT agrees to provide maintenance for mechanical systems and HVAC equipment as needed.
 - DISTRICT agrees that requests for installation of utilities, wall connections, and new electrical circuits of a reasonable nature will be honored by DISTRICT for 30 days after commencement of the term of this contract. Thereafter, LESSEE shall be responsible for any of its own modifications, changes, or alterations to existing facilities. The LESSEE must obtain approval from the DISTRICT for all installations or changes to utilities, in writing, at least 10 calendar days prior to the installation.
 - The DISTRICT may add or replace furniture, fixtures, and equipment with agreement/approval of LESSEE.
 - The DISTRICT will be responsible for major structural repairs to the spaces used by the LESSEE, provided that such repairs are not required as a result of the actions of the LESSEE, its agents or employees, in which case the LESSEE shall pay the cost of repairs. Such repairs will be made, as the DISTRICT should decide, either by the DISTRICT or by an independent contractor.
 - The DISTRICT shall make any structural changes required to bring a bookstore facility in compliance with the Americans with Disabilities Act. To the extent possible, the DISTRICT will avoid jeopardizing the LESSEE's business operations; however, some inconvenience may be expected.
- 6.6.2. **LESSEE:**
- LESSEE will, at its expense, maintain and repair all buildings. Such maintenance shall include repair and replacement of fluorescent bulbs and light fixtures in the bookstore areas.
 - No alterations shall be made to the premises, nor shall additional partitions or fixtures be installed in said premises, without the written consent of DISTRICT. Approved alterations shall be at the expense of the LESSEE.
 - LESSEE shall repair, rebuild, and repaint all or any part of the premises, which may be damaged or destroyed by the actions or omissions of LESSEE or its employees.
 - LESSEE shall request permission of DISTRICT's Site Representative before placing directional/informational signs outside of the leased spaces.
- 6.7. **Bookstore Improvements**
- 6.7.1. No improvements to bookstore premises shall be made in any of the bookstores except with the permission of the DISTRICT.

27

personal computer compatible with linkage to a local-area network. The electronic mail (E-Mail) access shall be limited to placement of orders, inquiries, and distribution of information to DISTRICT's staff.

6.12. **Housekeeping Maintenance**6.12.1. **Custodial Service:**

- LESSEE will be responsible for the custodial service within the bookstore area. DISTRICT shall have neither the duty nor the right to furnish janitorial or cleaning services in the bookstore area. However, the LESSEE may negotiate a separate contract for custodial services with the DISTRICT.
- LESSEE must maintain good, standard housekeeping practices relative to store front windows and other glass, sweeping, dusting, disposal of trash and the keeping of aisles free of obstacles.
- Material Safety Data Sheets (MSDS) for any chemicals used or stored within the bookstore premises must be submitted to the Hazardous Material Coordinator on or before the first date they are brought into the college. A master set of Material Safety Data Sheets shall be maintained in the Facilities Services office. Additionally, MSDS information shall be posted where chemicals are stored and/or used.

6.12.2. **Trash Disposal/Recycling:**

- DISTRICT will provide one or more trash dumpsters at each college. All cartons, shipping containers, etc., that are disposed of through the DISTRICT's facility must be flattened or otherwise rendered into a condition that will cause the trash to occupy the least possible amount of space.
- The DISTRICT, in compliance with a State of California mandate to implement recycling programs to reduce landfill waste, has established a recycling program at each college to process business papers, packaging papers, and cardboard boxes. The DISTRICT has, under a separate contract, arranged for regularly scheduled pickups of its recyclable paper products. The LESSEE is invited to contribute its discarded paper products and cardboard boxes to the college's recycling effort. The LESSEE's store manager should contact the college's Site Representative to obtain the particulars as to how to prepare paper products for the recycling program and the collection information. It shall be noted that the COLLEGE shall retain any revenue realized by a COLLEGE due to the LESSEE's participation in the COLLEGE's recycling program.
- The LESSEE may establish its own recycling program as long as its recycling activity does not conflict or negatively impact the activities of the college.

6.12.3. **Pest Control:**

- DISTRICT will be responsible for pest control services in the bookstore area. The LESSEE's store manager will be advised of service schedules and notices of scheduled service will be posted on college premises.

1. **Security of Facility**

- 6.13.1. The LESSEE shall cooperate with the DISTRICT's Public Safety Director and with other DISTRICT officials in the provision of security for the bookstores. The LESSEE shall be responsible for maintaining intrusion alarms and other security systems deemed necessary for the spaces used by the bookstore operations. The LESSEE shall control the distribution of keys to the bookstore spaces.
- 6.13.2. The LESSEE is responsible for training its employees in the security requirements of the DISTRICT, and is responsible for enforcing the security rules of the DISTRICT as they apply to its employees:
- No guns, knives, or other dangerous weapons are allowed on campus.

- 6.7.2. Any improvements to bookstore premises made during the term of the contract shall become the property of the DISTRICT upon termination or expiration thereof.

6.8. **LESSEE Equipment**

- 6.8.1. The LESSEE must provide all office machines, equipment, and supplies required for the efficient conduct of business. If the LESSEE elects to utilize equipment already in place in the bookstores, LESSEE must accept equipment in "as is" condition and be responsible for future maintenance of such equipment. Any equipment so utilized will remain the property of the DISTRICT upon termination of the contract in the same condition as when accepted for use, normal wear and tear excepted. The DISTRICT shall retain the right to review and determine the procurement of such operating equipment if funded out of bookstore revenues.
- 6.8.2. The LESSEE shall be responsible for providing, at its own expense, such additional equipment and fixtures as may be necessary for the successful operation of the bookstores. Renovations to the existing space and fixtures required for the successful operation of the bookstores are anticipated to be necessary and shall be made by the LESSEE and at the LESSEE's expense in accordance with the plans, specifications, renderings, and drawings as may be contained in the LESSEE's Bid. The DISTRICT must approve any alterations in such plans, specifications, renderings, or drawings. The DISTRICT shall own the bookstore spaces and fixtures, including all renovations and additions thereto made by the LESSEE, and the LESSEE shall not be reimbursed any part of the cost or expense incurred by it in renovation or re-fixturing the spaces.
- At the conclusion of this agreement, all attached furniture, fixtures, and equipment shall remain in the property of the DISTRICT. All trade fixtures (such as display shelving and merchandise racks) shall remain and be considered property of the DISTRICT. LESSEE provided moveable office equipment (such as desks, chairs, files, calculators, typewriters, and computers) will be considered property of LESSEE and may be removed.
- 6.8.3. All capital equipment purchased by the LESSEE will remain LESSEE's property and may be removed from DISTRICT's premises upon termination or expiration of contract. LESSEE shall physically label its property with its own identification and shall maintain records adequate to establish proof of ownership for any such item of equipment.
- 6.9. **Damage to College Property**
- 6.9.1. The LESSEE shall be responsible for the repair or replacement cost of any damages to college property caused by the use of the facilities, misuse, or negligence on the part of LESSEE's employees or customers, excluding ordinary wear and tear.
- 6.9.2. The LESSEE is responsible for reporting any damages to college property within 24 hours.
- 6.10. **Utilities**
- 6.10.1. The DISTRICT will provide all utilities and trash removal to the spaces used by the LESSEE including lights, heat, air conditioning, water and sewerage. It is expected that the LESSEE will take this factor into account when calculating the percent commission to the DISTRICT. The DISTRICT will provide the LESSEE with access to telephone service but the LESSEE shall be responsible for all costs associated with such services including installation, monthly equipment charges, and local and long distance charges. The LESSEE shall reimburse the DISTRICT for any costs incurred by it on behalf of the LESSEE in the provision of access to telephone service. The DISTRICT will not be liable to the LESSEE for its failure to provide the services described herein if such failure is due to causes beyond the control of the DISTRICT. The LESSEE should keep energy consumption at a minimum and shall comply with energy conservation practices and policies of the DISTRICT.
- 6.11. **Electronic Mail and Network Access**
- 6.11.1. The DISTRICT shall provide access to its electronic mail via one connection to the DISTRICT's communication network, and offer technical support for this operation. The LESSEE shall provide one

28

- No illegal drugs or other prohibited substances are allowed on the premises. Alcohol consumption or possession is not allowed on the premises. Smoking is not allowed in the buildings.
 - All entrances to each bookstore will be re-keyed so that the LESSEE has access keys, except that when the bookstore area is located within another college building, keys to gain access through a designated entrance will be issued or special arrangements made so that the LESSEE and its employees can gain access whenever required. Campus Police shall retain in a secure manner one set of access keys to LESSEE's bookstore for emergency use.
 - Should any employee of the LESSEE lose assigned keys or access cards, or in any other way jeopardize the security of the facility, the LESSEE will be charged for all associated costs required to re-key the building in its entirety, or any area controlled by the lost keys/cards, as applicable. The DISTRICT reserves the right to select the locks and a locksmith for re-keying the facility, or affected location, and the LESSEE shall be assessed the cost.
- 6.13.3. The DISTRICT maintains its own Department of Public Safety for external security of the bookstore.
- 6.14. **Site Access**
- 6.14.1. Agents and employees of the LESSEE working in the bookstores will be provided access to parking lots utilized by college employees under the policies of Parking Services.
- 6.14.2. The LESSEE's agents shall use entrances, thoroughfares, and parking areas designated by the DISTRICT and must comply fully with the DISTRICT's prevailing fire, safety, traffic, parking, and security regulations. Prohibitions on smoking inside of buildings, or elsewhere on the premises, must be strictly observed.
- 6.14.3. Any special parking requirements may be accommodated through permits issued by the Department of Public Safety at each location. LESSEE's agents are responsible for any parking fees at parking meters. Both colleges have parking available in public areas.
- 6.15. **Advertising**
- 6.15.1. LESSEE shall have the exclusive right to advertise its operations on each of the DISTRICT's college campuses as approved by the DISTRICT's Site Representative. This may include, but is not limited to, advertising store location, store operating hours, sales of merchandise, and book buy-backs. Exclusivity in advertising on a campus does not preclude competing bookstores from purchasing advertising space in student or college newspapers, or posting college-approved advertising on bulletin boards.
- 6.15.2. LESSEE shall not place any signs at, on, or about the premises, except as and where first approved by DISTRICT, and DISTRICT shall have the right to remove any sign or signs in order to paint the building or make any other repairs or alterations.
- 6.15.3. The DISTRICT may require LESSEE to obtain prior approval from the DISTRICT on all outside advertising to the general public, and for any use of DISTRICT's name or logo (including individual college logos) in promotional material.
- 6.15.4. Advertising via electronic mail must be approved by and coordinated through the DISTRICT's Site Representative.
- 6.16. **Periods of Operation**
- 6.16.1. The LESSEE shall operate the bookstores on a schedule that will be convenient to students, faculty, and the college communities. The DISTRICT expects the LESSEE to maintain hours of operation sufficient to support the college's operations. Actual hours will be determined in consultation between LESSEE and Site Representative.

- 6.16.2. The DISTRICT shall not be responsible for any loss to the LESSEE due to temporary suspension of operations, regardless of cause. Such suspensions may result from, but are not limited to, mechanical failure of equipment, power failure, or extraordinary weather conditions.
- 6.16.3. Appropriateness of opening a bookstore on inclement weather days shall be coordinated with the DISTRICT's designated representative at each respective college.
- 7. Acceptability of Merchandise**
- 6.17.1. The LESSEE shall stock in sufficient quantity, display, and offer for sale:
- All required, recommended, and suggested text and course books, whether new or used, in the editions specified by faculty or other designated departmental representatives;
 - Other educational materials and supplies used by the colleges' students;
 - Speculative merchandise such as books, magazines, soft goods, stationery, desk and room accessories and other items normally sold in a college bookstore, to the extent that the sale of such items is compatible with the educational mission of the colleges' and bookstores' purposes; and
 - Food items and other items not normally sold in a college bookstore upon specific prior approval by the DISTRICT's designated representative.
- 6.17.2. The colleges reserve the right to recommend merchandise to be sold in the bookstores and to require the removal of merchandise for sale in the bookstores, which the colleges consider offensive or inappropriate.
- 6.17.3. LESSEE agrees that all items offered for sale through any of the two bookstores shall be of quality and character commensurate with the standards of the institution, and acceptable to the DISTRICT. Upon written notice of disapproval from the DISTRICT, the LESSEE shall remove from sale any item(s), which DISTRICT's representatives declare to be objectionable.
- 6.17.4. Inasmuch as the DISTRICT provides food service and vending machine service at both colleges under separate contract, the stocking of food or drink products, which directly compete with these contracts, is prohibited. The vending services include hot and cold drinks, fruit juices, snack food items, and some cold food items such as ice cream and sandwiches. The DISTRICT's designated Site Representative, whose decision shall be final, shall arbitrate any complaint from another contractor regarding food or drink sales through bookstore outlets.
- 6.18. **Net Income from Sales**
- 6.18.1. The term "Net Income From Sales" as used and referred to herein, shall include all sales at the gross selling price of merchandise and items of every character, including consigned merchandise sold in, upon, or through any part of the bookstore premises by the LESSEE or any other person, firm, or corporation, and the gross charges for all services to customers or patrons performed by the LESSEE or any other person, firm, or corporation, in, upon, or through any part of the bookstore premises, and shall include sales and charges for cash, will-call, and credit, regardless of whether or not same is collected or uncollected, less only all proper credits for returned merchandise, merchandise refunds, merchandise exchanges, and merchandise cancellations, allowances, or discounts.
- 6.18.2. It is agreed that the term "Net Income From Sales" shall not include any excise tax, sales tax, or any other tax now or hereafter levied by any federal, state, or municipal authority upon the retail sales or the value of services performed by the LESSEE or any other person, firm, or corporation conducting sales or performing services in, upon, or through the bookstore premises, provided that the payment of such taxes is established by the LESSEE to the satisfaction of the DISTRICT.
- 6.18.3. It is agreed that intra-company transfers of merchandise shall not be included in Net Income From Sales.

31

- on the Bid Form where requested. The amount of the discount, dollar limit, and any exclusion for personal purchases shall apply to all locations. Personal sales to DISTRICT's staff are included in calculations of Net Income From Sales.
- 6.19.10. **Increase to Price Structures:** The LESSEE shall not increase the pricing structure of any item or group of items without the approval of the Site Representative.
- 6.19.11. The DISTRICT may request and shall receive from the LESSEE proof that the above pricing policies are being followed. The LESSEE must provide information at the earliest possible time following its receipt of the DISTRICT's request.
- 6.20. **Class Information**
- 6.20.1. Subject to the provisions of State and Federal laws, and upon reasonable request and notice from the LESSEE, the DISTRICT will make available for the LESSEE's use enrollment data, pre-registration information, class schedules, book adoptions, and similar information that may be beneficial in the effective administration and operation of the DISTRICT's bookstores.
- 6.21. **Off-Campus Registration**
- 6.21.1. The LESSEE shall provide for sales of textbooks and other educational materials required for off-campus courses at off-campus instructional centers, if so requested, and if economically viable, by the DISTRICT.
- 6.22. **Procurement of Textbooks**
- 6.22.1. **Text Adoption Information:** The DISTRICT assumes the responsibility for assisting the LESSEE in determining the need for books and required supply items from term to term in accordance with textbook and supply adoptions by the faculty; and the LESSEE, on its part, agrees to make every effort to fill such orders and to give good service to the students and the faculty.
- 6.22.2. LESSEE shall note that the DISTRICT is obligated to insure that book list information is available to the public, upon request, under the Public Records Act.
- 6.22.3. **Text Adoption Schedule:** In its provision of books, supplies, and materials, the LESSEE will prepare (in a form acceptable to the colleges) and distribute to faculty members requisitions for such books, supplies, and materials for each semester. The colleges will make reasonable efforts to see that the LESSEE's bookstore management is given timely notice by faculty members or authorized departmental designees of the books, supplies, and materials requested for all courses offered, unless adjustments in the academic calendar dictate corresponding adjustments in the dates which follow, the DISTRICT's instructional divisions will provide adoption information to the LESSEE in accordance with the following schedule:
- Credit Courses**
For the Spring semester, beginning in January, on or before October 15;
For the Summer sessions, on or before March 15; and
For the Fall semester, beginning in late August or early September, on or before April 15.
 - Continuing Education Courses**
Textbook adoption information for Continuing Education courses will be provided approximately eight weeks prior to the beginning of a course.
- 6.22.4. **DISTRICT's Right to Select Texts:** The selection of course texts shall be the decision of the DISTRICT's instructional divisions and, as an academic matter, selection shall not be within the discretion of the LESSEE.
- 6.22.5. **Textbook Orders:**
- Textbook orders submitted by the DISTRICT's instructional divisions should be honored as to quantity, title, edition, and other variables, except for good and verifiable cause for alternative action. When LESSEE, in exercising proper business judgment, determines that an enrollment

- 6.18.4. Any official sales to DISTRICT's instructional/administrative divisions for which fixed discounts apply are to be included in calculations of Net Income From Sales.
- 6.18.5. Any personal sales to DISTRICT's staff for which fixed discounts apply are to be included in calculations of Net Income From Sales.
- 6.18.6. The financial transactions related to the LESSEE's handling of caps and gowns, as set forth hereinafter, shall be excluded from calculations of Net Income From Sales.
- 6.19. **Pricing Policy**
- 6.19.1. **Sales of Merchandise:** Merchandise sold through the bookstore shall be competitively priced at each location and shall be in accordance with the industry's normal pricing practices.
- If the colleges should so request, the LESSEE shall cooperate with the colleges in conducting sales at athletic events with a percentage of such sales, as agreed upon by the LESSEE and the DISTRICT, being paid to the colleges. Any percentage so paid to the colleges will not be deducted from the commission due the colleges.
- 6.19.2. **New Textbooks:** The LESSEE shall guarantee that the selling price of a new textbook will not exceed a markup of 25%, or publisher's list price, whichever is lower. Freight, handling charges, and publisher's administrative charges, shall not be considered in calculating the retail-selling price. For the purpose of verifying price compliance, the DISTRICT's representative will calculate the maximum selling price of a new textbook as follows:
- $$\text{Invoice Cost} + 0.75 = \text{Retail Selling Price}$$
- If the same textbook is offered for sale in both bookstores, it shall be priced the same in both bookstores.
- 6.19.3. **Used Textbooks:** The price of used textbooks shall not exceed seventy-five percent (75%) of the new book retail-selling price.
- 6.19.4. **Coursepacks and Textbooks:** Coursepacks and textbooks purchased from publishers with restrictive, non-returnable test policies will be priced at up to a 30% gross margin.
- 6.19.5. **School Supplies:** School supplies shall be priced at or below manufacturers' suggested retail prices.
- 6.19.6. **New Paperback Books and Trade Books:** All new paperback books, and trade books shall be sold at prices no higher than publisher's suggested retail prices;
- 6.19.7. **Discounts for Official Purchases:** The LESSEE agrees to extend to the DISTRICT a discount from the regular retail selling price for stocked items, and catalog list price for special order items, on official purchases of departmental supplies and the same discount structure on official purchases (see definition in Section 1, Item 1.3.11) of specialty and sundry items. Textbooks for departmental use will be sold to the DISTRICT at prices no higher than the prices to students. The discount(s) furnished to DISTRICT are to be specified on the Bid Form where requested. The amount of the discount for official purchases shall apply to all locations. The discount granted shall apply to all sales of \$1.00 or more and shall not apply to any merchandise that is specially priced. Official purchases to instructional/administrative divisions are included in calculation of Net Income From Sales.
- 6.19.8. **Discounts for Associated Student Members with Card:** LESSEE may offer a percentage discount to members of either college's associated student organization (ASO), at no cost to the ASO (see BID FORM). Additionally, LESSEE shall negotiate with both colleges' ASOs to develop other member benefit programs that may or may not involve ASO financial participation.
- 6.19.9. **Discounts for Staff's Personal Purchases:** The LESSEE may grant to the DISTRICT's staff a discount from the regular retail price for stocked items, and catalog list price for special order items, for all supply and sundry items, which constitute personal purchases. The discount furnished, any dollar amount per purchase limits, and any exclusions to items covered by this discount shall be specified

32

- projection is excessive, a report of this conclusion should be made via electronic mail to the appropriate instructional division through designated campus channels.
- Authorization of the DISTRICT's designated representative of the respective college must be obtained by the LESSEE prior to any substantial reduction in textbook order quantity or alteration of the order.
 - The LESSEE must provide timely reports to faculty members of the status of their orders for books, supplies and other materials for their respective courses, including items discovered to be unavailable, delayed in delivery, new editions, etc. The LESSEE shall not be responsible for books or other items not being ready for sale to students due to the failure of faculty members to submit timely order requests. However, the LESSEE shall make every reasonable effort to supply items requested even when requests are not timely.
- 6.22.6. **LESSEE's Responsibilities:** LESSEE's commitment to service will be gauged in large measure by the timeliness and adequacy of orders for textbooks and instructional supplies. LESSEE agrees to put forth its best efforts to obtain formally adopted textbooks and make them available to students and faculty when they are needed.
- Textbook orders should be placed in ample time for the books to arrive well in advance of registration. Upon receipt of textbooks, instructional divisions should receive notice, through approved campus channels, of quantities available.
 - If information is received from a textbook supplier that a book is back-ordered or unavailable, a report of the problem should be made to the instructional division immediately.
 - Approximately ten working days prior to the beginning of a semester, LESSEE's management shall make a comprehensive report to each instructional division confirming quantities on hand and giving notice of existing or anticipated shortages, along with actions undertaken to resolve the shortages before the semester beginning.
 - If there is an unavoidable shortage of a textbook at the beginning of the semester, the faculty and students are entitled to the persistent efforts of store personnel to obtain the book. While this effort is underway, the instructional division should receive frequent reports of the status of the order and remedial actions, which have been undertaken.
- 6.22.7. **Expedited Orders:** LESSEE shall expedite requests for textbooks, publications, and materials approved for new programs or sections added after the dates prescribed for submission of adoption data. DISTRICT's instructional divisions may be charged any special freight or publisher's administrative charges for expedited requests.
- 6.22.8. **Availability of Used Books:** LESSEE shall put forth its best efforts to make maximum use of used books in order to decrease book costs to students.
- 6.23. **Used Book Buy-Back Policy**
- 6.23.1. LESSEE agrees to establish a used book "buy-back" program and to purchase from students, at the end of each semester and throughout the year, books in saleable condition which students choose to sell. Prices paid to students for used books will be the highest market value consistent with adoption information, inventory status, and condition.
- 6.23.2. LESSEE shall use an automated system for the purchase of used books from students, faculty, and others at the colleges, which are approved by the colleges.
- 6.23.3. LESSEE shall purchase used books from students, faculty and others at the colleges based on a schedule that is practical and convenient to both the bookstore and the college communities according to the following policy:
- If the LESSEE has a faculty order indicating that a book will be a course adoption for a following semester, it will pay no less than 50% of the publisher's then current suggested retail price. A

lesser amount may be paid only if copies required for faculty orders are filled or if a book is in unusually poor condition.

- b. If the LESSEE does not have information as to the future use of a book or if the book will not be used the following semester, or will shortly be replaced by a revision announced by the publisher, the LESSEE shall pay the price listed for the book in a textbook buying guide which the colleges and the LESSEE agree to use for this purpose.
- 6.23.4. LESSEE shall have the exclusive right to buy-back used books from students on each campus.
- 6.23.5. The LESSEE in concert with the DISTRICT's Site Representative will establish the dates of book buy-backs.
- 6.23.6. LESSEE shall make every possible effort to increase used book sales at the colleges by retaining used books purchased at the colleges, if required for the following semester, and by purchasing or acquiring used books from other bookstores and companies if necessary.
- 6.23.7. On books where the LESSEE has not been notified of the textbook's formal adoption for use during the immediately ensuing semester, the LESSEE will offer the student a price consistent with the national wholesale market.
- 6.24. Printed Materials
- 6.24.1. DISTRICT is a major developer of study guides adopted for use at its colleges. LESSEE agrees to cooperate with DISTRICT and its faculty in sales of college-developed study guides or workbooks formally adopted for use by the students.
- 6.24.2. LESSEE shall provide for faculty syllabi to be copyright cleared, produced, and sold as per the textbook pricing policy.
- 6.24.3. LESSEE should exercise normal business planning in the requisitioning and purchase of study guides and workbooks.
- 6.24.4. LESSEE shall note that DISTRICT is obligated to furnish internally developed study guides to competing off-campus bookstores upon request. LESSEE should not assume that in all cases the LESSEE will be the sole distributor of study guides.
- 6.24.5. Production of study guides may be through a college's on-site print shop, on-site contracted reproduction center, or through DISTRICT's contracts with outside printing or reproduction companies. LESSEE shall cooperate with the individual college business office in determining how payment for study guides and the sale of study guides will be handled.
- 6.24.6. DISTRICT is not responsible for repurchase of unsold study guides.
- 6.25. Caps and Gowns
- 6.25.1. LESSEE will designate the vendor, selected through its regular bid process, to supply caps and gowns for graduation exercises. The LESSEE will be responsible for the issuance and collection of the rental and/or sales fees of these items requested by the students, staff, and faculty.
- 6.25.2. LESSEE is solely responsible to the designated vendor for the collection and/or return of student caps and gowns. LESSEE is responsible for maintaining a good relationship with the DISTRICT's supplier of academic regalia, and to promptly process payments and returns of regalia.
- 6.25.3. LESSEE shall state on the Bid form its markup charged to the DISTRICT for handling regalia orders. The LESSEE will bill the DISTRICT for the handling fee and rental of caps and gowns used by the DISTRICT's faculty and staff.
- 6.25.4. The financial transactions related to the LESSEE's handling of caps and gowns, as set forth herein, shall be excluded from calculations of gross sales.

35

6.29. Owner's Purchase of Inventory if Contract is Terminated

- 6.29.1. Upon the termination of this contract, the DISTRICT shall purchase bookstore inventory then currently on hand on the following terms:
- a. A physical inventory must be taken by an independent inventory service that is to be mutually agreed upon by both parties, beginning the day of contract termination, pursuant to agreed upon procedures, with audit oversight performed by the DISTRICT's internal audit staff. The cost of the independent inventory service shall be borne by the DISTRICT, unless the contract is terminated for cause due to actions of LESSEE. If contract is terminated for cause, the cost of the independent inventory service shall be borne by the LESSEE. The bookstores will be closed during the time necessary to take the inventory. No merchandise will be received by or taken from the bookstores during the time the inventory is being taken except as specified in the agreed upon procedures.
- b. The DISTRICT shall purchase the inventory under the following guidelines:
- ◆ New textbooks, formally adopted for the ensuing semester, will be purchased at actual cost to the LESSEE. All other new textbooks will be purchased at a mutually agreed to price.
 - ◆ Used textbooks, formally adopted for the ensuing semester, will be purchased at original list price less 50% or actual cost if the discount exceeds 50%. All other used textbooks will be purchased at a mutually agreed to price.
 - ◆ All trade books, paperbacks, technical and reference books in clean, saleable condition, fully returnable to the publisher or source, will be purchased at the normal (industry) maximum discount of 40% of list price. All such books are defined as items not specifically required or recommended for a course offered at the college.
 - ◆ School supplies in clean, saleable condition will be purchased at the LESSEE's cost. All such items are defined as those items that are not books such as greeting cards, calculators, soft goods, writing instruments, paper, etc.
- c. The DISTRICT will additionally pay to the LESSEE a fixed fee of 1.5% of the total inventory value to cover the incoming freight cost of the inventory being purchased.
- d. The DISTRICT will purchase from and pay to the LESSEE the total amount of unapplied credit memos still due to the LESSEE from publishers and other vendors on the date the contract commences, provided that the publishers and other vendors will transfer these unapplied credit memos to the DISTRICT's account.
- e. The DISTRICT will honor all purchase orders issued by the LESSEE for bookstore merchandise, which have not been received at the time of the inventory unless same may be cancelled. The LESSEE and the DISTRICT shall give joint notice to all bookstore vendors of the change in operation in the bookstore.

7. Accounts and Records

- 7.30.1. The LESSEE shall maintain such accounting books and records in connection with its performance of the contract as may be reasonably required by the DISTRICT, consistent with good accounting practice. Such books of account and records may be kept at any location of the LESSEE's choosing, provided that the LESSEE shall provide the DISTRICT with notice in writing of the location, by address, of all such books and records and the name of the custodian thereof.
- 6.30.2. The LESSEE shall, at any reasonable time, DURING THE CONTRACT TERM AND FOR A PERIOD OF NOT LESS THAN TWO YEARS FOLLOWING THE COMPLETION OF OPERATIONS UNDER THE CONTRACT, afford the DISTRICT's agents and auditors reasonable facilities for the examination and audit of its books and records pertaining to the performance of the contract, and shall, upon the request of the DISTRICT, produce and exhibit to the DISTRICT all such books and records.

6.26. Sales Policies

- 6.26.1. LESSEE shall price supplies and materials sold in the bookstores in accordance with the competitive situation in each college's service area.
- 6.26.2. LESSEE shall post, in conspicuous places, bookstore policies concerning refunds, buy-backs, exchanges, and discounts.
- a. New textbooks must be in new condition, and as a minimum, policies will provide that defective textbooks will be replaced at no cost.
- b. The LESSEE shall provide for a refund of purchases according to the colleges' current refund policy or according to an alternative policy, approved by the colleges, which is at least as flexible as the current refund policy of the colleges.
- 6.26.3. LESSEE shall provide for charge sales of books, supplies, and all other merchandise to students, faculty, and staff through MasterCard, Visa, Discover and American Express.
- 6.26.4. LESSEE shall provide for charge sales to DISTRICT on its own account, with monthly billing to each location for purchases by DISTRICT's colleges. A copy of the monthly billing shall be furnished to both the cost center manager and the college business office.
- 6.26.5. LESSEE shall accept personal checks from students, faculty, and staff in reasonable amount in payment for purchases, subject to appropriate identification.
- 6.26.6. LESSEE shall be solely responsible for the collection of any debts resulting from charge cards or otherwise.
- 6.26.7. From time to time textbooks and/or course supplies are to be purchased for a student through a federal grant or by some government agency. LESSEE shall work with government agencies to establish an accounts receivable process for agency-sponsored students who need to charge "required books and supplies." LESSEE shall agree to bill agency for sponsored student's purchases.
- 6.27. Check Cashing Policy
- 6.27.1. LESSEE shall provide, at no charge to the DISTRICT, check cashing privileges for employees of the DISTRICT. LESSEE may establish their own policies for this service.
- 6.27.2. LESSEE's check cashing policies for students must be prominently posted in the bookstore at each location.
- 6.28. Transfer of Inventory to a Successor LESSEE
- 6.28.1. DISTRICT is unwilling to accept a financial loss resulting from a transfer of bookstore operations from current CONTRACTOR to a successor lessee. Accordingly, a prospective LESSEE shall agree that, if selected to operate the DISTRICT's bookstores, the LESSEE designate will cooperate with DISTRICT and current CONTRACTOR in taking a physical inventory to determine the inventory value for the sale of inventory from current CONTRACTOR to the new LESSEE designee.
- 6.28.2. If the DISTRICT solicits new Bids and the then-current CONTRACTOR is successful in retaining the contract, there will be no transaction of sale. Only a physical inventory will be required.
- 6.28.3. Both parties should extend a best effort to complete this transfer, and the DISTRICT will lend its assistance in negotiation, physical inventory-taking and documentation.
- 6.28.4. If no agreement is reached between the parties, then the incumbent CONTRACTOR shall remove its inventory no earlier than seven days before its contract expires. Removal of inventories prior to this seven day period shall be done only with the approval of the DISTRICT's Site Representative.

36

- 6.30.3. The DISTRICT shall have complete access to the purchasing records of the LESSEE in order to evaluate the quality and quantity of the merchandise supplied, as well as LESSEE's purchasing activity with disadvantaged/minority/woman-owned businesses.
- 6.30.4. LESSEE will maintain separate bookkeeping records for its operations of each college.
- 6.30.5. The LESSEE shall make reports of its activities to the DISTRICT as follows:
- a. A monthly financial report of operations in a form acceptable to the DISTRICT shall be provided within 20 days after the close of the LESSEE's accounting period.
- The monthly report should be in sufficient detail as to show:
- ◆ Primary Location; for example, Grossmont College
 - ◆ Gross Sales for the Month Reported
 - ◆ Exclusions from Gross Sales for the Month Reported
 - ◆ Net Sales for the Month Reported
 - ◆ Total for Primary Location for the Month Reported
 - ◆ Totals for All Locations for the Month Reported
 - ◆ Cumulative Contract Year-to-Date Information (July 1-June 30 Fiscal Year)
- b. Two (2) copies of the monthly report shall be submitted; one to the Director of Financial Services and one to the Director of Purchasing and Contracts.
- c. The DISTRICT shall have access to daily sales and deposit records upon request.
- d. LESSEE shall provide audited annual operating statements, and monthly unaudited statements, prepared by an independent certified public accountant, showing the amount of the monthly gross sales, as herein defined, together with credit and allowance accounts for each and every month during the preceding fiscal year.
- e. The LESSEE shall maintain statistics on used books sales and submit to the DISTRICT, within forty-five (45) days following the close of each semester, a report showing the percentage breakdown by campus of new book sales and used book sales for the preceding semester and a comparison of these results with two preceding academic years. A copy of this report shall be sent to the Site Representative at each college.
- 6.31. Payment for Operation
- 6.31.1. The DISTRICT requests Bids for a lease of facilities based upon a minimum payment or, if higher, a percentage of Net Income From Sales from the operation of the college bookstores. The BID FORM states the breakpoints for increases to commissions. All commissions will be applicable to Net Income From Sales as defined by the Income Statement (Exhibit H).
- 6.31.2. Commission payments shall be made in accordance with the following requirements:
- a. Commission payments shall be computed quarterly (based on a calendar quarter), except for the first payment which shall cover the period from inception date of contract through June, and paid within thirty (30) calendar days after the end of each quarterly accounting period. The commission structure shall begin with the lowest rate offered; however, the commission rate will be adjusted in the last quarter's payment should annual gross sales exceed a specified breakpoint.
- b. The quarterly commission payment shall be based on an unaudited statement, signed by an authorized employee of the LESSEE, showing a detailed analysis of the aggregate gross sales and any non-commissionable exclusions. Payment for the last quarter of the contract year shall include any adjustment to commission structure based on annual gross sales that may exceed a specified breakpoint.

- c. The quarterly payments shall be verified through the certified annual audited statement (see Specifications, Item 6.30). Adjusted payments, if any, shall be paid within 90 calendar days following the close of LESSEE's fiscal year.
- d. Refer to Specifications, Item 6.18, for exclusions to Net Income From Sales.

7. New Technology

- 6.32.1. The LESSEE shall be responsive to any developments in technology that may affect the operation of college bookstores and shall cooperate with the DISTRICT by adopting systems that may be implemented to improve customer service, inventory control, or financial reporting.

6.33. Continuous Improvement

- 6.33.1. The DISTRICT is committed to improving work environments by applying Continuous Improvement techniques to identify areas that need improvement and to seek viable changes. The Continuous Improvement process involves a team approach to identifying an area of opportunity for improvement and developing processes to effect change. The LESSEE for bookstore management and operations may be requested to participate in each college's efforts to improve the quality and delivery of services.

6.34. Names of Bookstores

- 6.34.1. The bookstore located at Cuyamaca College shall be called:
- Cuyamaca College Bookstore, or
 - The Cuyamaca College Bookstore
- 6.34.2. The bookstore located at Grossmont College shall be called:
- Grossmont College Bookstore, or
 - The Grossmont College Bookstore
- 6.34.3. A subtitle may be used under the bookstore name to identify the LESSEE, for example, "operated by the GCCCD," or "operated by Green Bookstores, Inc."

39

40

7. COLLEGE SERVICE GUIDELINES

7.1. CUYAMACA COLLEGE

ADDRESS: 900 Rancho San Diego Parkway, El Cajon, CA 92019-4304

SITE REPRESENTATIVE: Glyn Rowbotham

7.1.1. Hours of Operation (for Bid purposes*)

Regular Hours - Long Semesters and Summer School

7:30 a.m. - 7:00 p.m., Mon-Thurs
7:30 a.m. - 2:00 p.m., Fri
7:30 a.m. - 1:00 p.m., Sat

Rush Periods - One week before and 1st week of classes

7:30 a.m. - 8:00 p.m., Mon-Thurs
7:30 a.m. - 4:00 p.m., Fri
7:30 a.m. - 2:00 p.m., Sat

Break Periods - Between Regular Semesters and Summer School
Closed to Customers

* Actual hours will be determined in consultation between LESSEE and Site Representative.

7.2. GROSSMONT COLLEGE

ADDRESS: 8800 Grossmont College Drive, El Cajon, CA 92020-1799

SITE REPRESENTATIVE: Dr. Mark Facer

7.2.1. Hours of Operation (for Bid purposes*)

Regular Hours - Long Semesters

7:45 a.m. - 7:15 p.m., Mon/Thurs
7:45 a.m. - 3:00 p.m., Fri

First Two Weeks of Long Semesters

7:45 a.m. - 9:30 p.m., Mon-Thurs
7:45 a.m. - 5:00 p.m., Fri
9:30 a.m. - 1:30 p.m., Sat

Regular Hours - Summer Semesters

7:45 a.m. - 7:15 p.m., Mon/Thurs
7:45 a.m. - 1:00 p.m., Fri

Registration Periods 8:00 a.m. - 8:30 p.m.

* Actual hours will be determined in consultation between LESSEE and Site Representative.

41

42