

ASSOCIATION OF EDUCATIONAL PURCHASING AGENCIES

MEETING REPORT #11

December 4, 2004

J. W. Marriot Desert Ridge Resort and Spa
Phoenix, Arizona

The meeting was held in the Wildflower Room B at the J. W. Marriot Desert Ridge Resort and Spa Marriot Resort, Phoenix, Arizona, and commenced on Saturday, December 4, 2004. An overview of the agenda indicated the following tasks:

Call to Order
Award of AEPA IFB #5
Extension of AEPA IFB #2 Contracts
Extension of AEPA IFB #3 Contracts
Extension of AEPA IFB #4 Contracts
Committee Reports
Selection of Date and Site for Next Meeting

1. Call to Order

The meeting was called to order at 1:02 p.m. by AEPA chairperson Max Luft. According to adopted procedures, members present at the meeting shall constitute a quorum, that when duly assembled is legally competent to transact business. The meeting was therefore appropriately convened.

1.1 Roll Call

The meeting began with introductions of all in attendance. Agency representatives indicated the state that they represented. The following member agencies, vendors, and honored guests were represented as indicated below:

<i>Members</i>	<i>Representatives</i>
Arizona	Jim Migliorino, Tom Peeler
California	Mike Mellon
Colorado	Dale McCall
Indiana	Larry Risk, Pam Clover
Iowa	Sandra Reichs
Kansas	Steve Spade, Cinda Holms
Kentucky	Liz Storey, Ann Burden
Minnesota	Mike Hajek, Gary Nytes, Ken Shane
Missouri	Tom Post
Montana	Frank Loehding
Nebraska	Paul Utemark
New Mexico	Max Luft, Llew Perry
North Dakota	John Jankowski, Jane Eastes
Ohio	Elmo Kallner, Ken Swink, Tammy Hurst
Oregon	Tammy Standley
Pennsylvania	Jeff Kimball, Jim Randecker
Texas	Pete Paul
Washington	Jim Borrow, Dave Uglen
Wyoming	David Swantek

ASSOCIATION OF EDUCATIONAL PURCHASING AGENCIES

Honored Guests

AESA Brian Talbot, Kari Arfstrom

Vendors

CDW-G Maureen O'Connell
Tremco Mardee Billingsley, Craig Nelson
School Specialty Chuck Luchen
Williams Scotsman Mike Delanie, Steve Turner, Steve Yantzer

It was noted that all members except Virginia were represented.

1.2 Agenda

The Tentative Agenda had been provided to all agency representatives prior to the meeting via email. Printed copies were also distributed when members arrived at the AEPA meeting. John Jankowski noted the Agenda incorrectly stated the date of the meeting and the dates of the Meeting Report #10, and requested the Agenda be amended to reflect the correct information. A motion was made by David Swantek of Wyoming and seconded by Jim Migliorino of Arizona to approve the Agenda as amended. The motion passed unanimously.

1.3 Approval of Meeting Report #10

Meeting Report #10, which reflects activities of the March 21, 22, 23 and 24 gathering in Las Vegas, Nevada was reviewed. A motion was made by Tammy Standley of Oregon and seconded Elmo Kallner of Ohio to accept the report as an accurate account of the meeting. The motion passed unanimously.

1.4 Membership Concerns

1.4.1 South Dakota Withdrawal

It was noted by the Chair that Scott Westerhuis stated that the board of the member agency in South Dakota voted to remove their membership from AEPA. Their decision was based on recent happenings in South Dakota where they have ventured into new areas, and they are satisfied with the level of support that they receive from the SW/WC in Minnesota for purchasing. A motion was made by Gary Nytes from Minnesota and seconded by Liz Storey from Kentucky to accept the removal of South Dakota from AEPA with regrets and send a letter of thanks to Scott Westerhuis for their previous participation and support.

1.4.2 Remembering the Past

Max noted that the progress of AEPA was greatly influenced by many who were no longer representing their agencies in AEPA. These included Bob Brown from Ohio, Lynn Thorpe from Nebraska, Ron Ricketts from Washington and David Wasson from Arizona. The group was reminded that David Wasson had died in September. It was also noted that this was the last meeting for Jim Migliorino from Arizona, who will be retiring January 3, 2005.

1.4.3 Honoring the Present

It was noted that representatives from all agencies had contributed to the successful publication and review of AEPA IFB #5. Special recognition was given to Pete Paul from Texas and the Bid Committee. Larry Risk and Pam Clover of Indiana were complimented for their work on summarizing the bids. Tammy Standley from Oregon was recognized for

ASSOCIATION OF EDUCATIONAL PURCHASING AGENCIES

work on answering questions relating to the bid. All received a certificate of appreciation signed by AEPA members and a standing ovation for their work regarding the bid.

1.4.4 Member Name Change Updates

Jim Migliorino reported on the change in formation of the Mohave Educational Services Cooperative, stating that as of January 1, 2005 it will become Mohave Educational Services Cooperative, Incorporated, but will retain the acronym MESC. A motion was made by Paul Utemark of Nebraska and seconded by Tom Post of Missouri to accept the change and note the name change on the AEPA membership listing. The motion passed unanimously.

1.4.5 Bid Coordinator

Pete Paul from Texas reported that he would not be able to serve as bid coordinator for the next bid. Appreciation was again expressed by the members for the excellent job that Pete had done in preparing the last two bids.

2. Approval of AEPA IFB #5

2.1 Summary of Requests

A printout of those viewing and downloading each bid lot was distributed by Pam Clover of Indiana. The report indicated for each person, the name and address of their company, the phone number and fax number as well as the time and date of access.

2.2 Summary of Questions

Tammy Standley of Oregon said that the questions that were asked by potential respondents and the responses were available for review on the AEPA website.

2.3 Summary of Bids Received

Larry Risk of Indiana stated that Pam Clover from Indiana and Pete Paul, Bid Coordinator from Texas, verified the bid receipt. Pam Clover prepared the Bid Tabulation Report which was disseminated to all members. The two summary pages were previously emailed to all members.

2.4 Bid Committee Report

2.4.1 Review of Non-Responsive Bids

Pete Paul, chair of the Bid committee reviewed the non-responsive bids. He indicated that there was seven weeks between the publication date and the due date of the bid. Pete Paul also indicated that some roofing contractors had difficulty in obtaining required licenses in all participating states. It was also noted that the early November due date is required to get the electronic information to all of the oversight committees reviewing the bids. The following responses were rejected prior to evaluation:

Commercial Floor Covering Systems: None
Buses: None
Digital Copiers: Kyocera, Pacific Office Automation, Lanier
Vehicles: Pioneer Ford
Roofing Related Services: None

ASSOCIATION OF EDUCATIONAL PURCHASING AGENCIES

2.4.2 E-Vote Review

Max Luft reviewed the communications relating to Kyocera being identified as non-responsive. After the Bid Receiving Committee indicated Kyocera was non-responsive, John Jankowski asked the AEPA Chair to reverse the decision. Max stated that he referred it to the Bid Committee which upheld the non-responsive decision. John asked for a vote of the membership to review the non-responsive opinion. A vote of the members indicated 13 not to reverse the opinions, 3 to reverse the opinions and 4 members not responding. Responses were as follows: Not in favor of reversing the opinions: KS, NM, VA, AZ, IA, IN, WA, KY, MN, TX, CA, CO and WY. Those in favor of reversing the opinions were ND, PA and OH. An email from Philip Borchardt, National and Government Accounts for Kyocera, a letter from Kevin Flood, V.P. of National/Government Accounts and a response from Max Luft were reviewed. One item that needs to be addressed was the statement from Flood, stating "we have ... been told, that the only surviving bidder was in fact a Co-op Member of AEPA, which was bidding on behalf of a manufacture (sic). If this fact is true, it poses, in our opinion, a "Conflict of Interest" in the bidding process."

2.4.3 Procedure on Member responses to AEPA Solicitations

The following procedure is recommended by the Procedure Committee. *AEPA members and/or their affiliates will not have responses considered to solicitation requests initiated by AEPA.* There were several comments, including the definition of 'affiliate'. All members had an opportunity to comment. Following an extended review of the situation, a motion was made by Llew Perry of New Mexico and seconded by Jim Migliorino of Arizona to table the discussion until after the copier bid had been discussed. The motion passed unanimously.

2.5 Award by Category

2.5.1. Commercial Flooring

Jeff Kimball of Pennsylvania presented the recommendation for Commercial Floor Covering Systems. He stated the committee recommended rejecting the bid from Collins & Aikman Floor Coverings because they provided four different price schedules and did not include any installation prices. The committee recommended to approve bids from Shaw Industries and Interface Flooring Systems. A motion was made by Llew Perry of New Mexico and seconded by Elmo Kallner of Ohio to accept the committee recommendation. The motion passed unanimously.

2.5.2. Buses

Jeff Kimball of Pennsylvania reported that no bids were received.

2.5.3. Digital Copiers and Related Equipment

John Jankowski of North Dakota stated that the committee reviewed the bid responses, recommends that all bids be rejected and that the Digital Copiers and Related Equipment be rebid as soon as practical. A motion was made by Jim Migliorino of Arizona and seconded by Ken Swink of Ohio to accept the recommendation of the committee. The motion passed unanimously.

The previously tabled action on policy restricting members from responding to AEPA bids was brought to the floor. Gary Nytes from Minnesota indicated that his service agency would not bid on the rebid of the Digital Copiers and Related Equipment. The motion regarding adoption of a new procedure regarding members responding to AEPA

ASSOCIATION OF EDUCATIONAL PURCHASING AGENCIES

bids was then withdrawn, with the agreement it will be discussed at the full meeting of AEPA in April.

2.5.4. Vehicles

Paul Utemark of Nebraska stated that the committee reviewed the bid responses, recommends that all bids be rejected and that Vehicles be rebid as soon as practical. A motion was made by Jim Migliorino of Arizona and seconded by David Swantek of Wyoming to accept the recommendation of the committee. The motion passed unanimously.

2.5.5. Roofing Related Services

Liz Storey of Kentucky, chair of the oversight committee provided the report on Roofing Related Services. She indicated that three responses were received and none were identified as non-responsive. The committee extensively examined all three bids. It is the recommendation of the committee that Johns Manville and W. P. Hickman be rejected during the evaluation process and not receive an award. The committee recommended that Tremco, Inc. be approved for an award. A motion was made by Jim Migliorino of Arizona and seconded by Steve Spade of Kansas to accept the recommendations of the committee. The motion passed unanimously.

The chair summarized the action by AEPA members, reporting the following approvals and rejections.

Bid Approvals were as follows:

Commercial Flooring: *Shaw Industries and Interface*

Roofing Related Services: *Weatherproofing Technologies Incorporated/Tremco*

Bid Rejections were as follows:

Commercial Flooring: *Collins & Aikman*

Digital Copiers: *All bids were rejected*

Vehicles: *All bids were rejected*

Roofing Related Services: *Johns Manville and W.P. Hickman*

Break

At 2:40 p.m. a 15 minute break was taken by all.

Agenda Modification

A motion was made by Llew Perry of New Mexico and seconded by Gary Nytes of Minnesota to immediately discuss the Partnership Committee Report. Without discussion, the motion passed unanimously.

7. Concerns of Membership

7.1. Committee Reports

7.1.2. Partnerships

The chair reported for the Partnership Committee. It was summarized that at the Spring AEPA meeting it was recommended a strategic relationship with AESA be considered. Conversations between AESA Executive Director Brian Talbot and Max Luft for AEPA resulted in a meeting being scheduled in Washington DC to discuss the proposed strategic relationship. Those representing AEPA at the session included Gary Nytes, Tom Post, Mike Mellon, Tony Cosby, Jim

ASSOCIATION OF EDUCATIONAL PURCHASING AGENCIES

Randecker and Max Luft. The result of the meeting was that AEPA would draft a Strategic Alliance Agreement. This Agreement was sent to AESA whose lawyers reviewed it. The AESA council recommended against AESA entering into the agreement because AEPA has no legal status or liability insurance, and any legal action against AESA might include anyone with a relationship, hence AESA. Documents of the proposed Strategic Alliance and the letter from AESA were reviewed.

The question of whether AESA should obtain a legal review of AEPA vulnerability and recommendations of the pro's and con's of forming a legal organization and/or obtaining some type of insurance coverage was discussed. A straw pole indicated seven in favor of the action and eleven opposed to the legal review. There was no further discussion on the matter.

3. Summary of Use

David Swantek from Wyoming presented a summary of use report from members, indicating participation in both contracts in place by members and volume of contracts in dollars for each member for each vendor. Total volume reported by the members for the nine month period was \$58,842,500.

Summary data for vendors indicated the fewest contracts were in place for Spectrum Industries (8) and the most contracts were in place for SchoolDude (17). There were 21 possible states. The greatest volume was recorded by Weatherproofing Technologies (Tremco) with \$21,464,000 for the period through September 30. Only the three library vendors and School Health Corporation had a volume less than \$10,000.

Summary data for the members indicated the fewest contracts were in place for Iowa (3) and the most for Kentucky, Minnesota and Montana (22). There were 22 possible vendors. The greatest volume was recorded by Pennsylvania (\$15,578,500) and the two states of South Dakota and Virginia reported no volume.

The group expressed thanks for the fine report by David. There was a concern that there were no comparative volume and participation from vendor records.

4. Extension of AEPA IFB #2

The bid categories approved for award in December 2001 included furniture, technology catalog, and modular and portable buildings. These contracts were approved for a one-year period, with the opportunity for three additional one-year extensions ending December 2003, 2004 and the final extension 2005. Approvals of extensions were made by bid area in 2002. Two of the originally approved vendors were not recommended for extension and nine vendors received extension approval. In December of 2003 four of the nine remaining vendors were extended and five more of the originally approved vendors were not recommended for extension.

4.1. Extension of Furniture Vendors

Tom Post of Missouri and Dave Uglem of Washington formed the Furniture Oversight Committee and made the following reports on the furniture contracts.

4.1.1. Allsteel

The contract was reviewed. The oversight committee recommended not continuing the contract approval. A motion was made by Llew Perry of New Mexico and seconded by

ASSOCIATION OF EDUCATIONAL PURCHASING AGENCIES

Gary Nytes of Minnesota to accept the committee recommendation. The motion passed unanimously.

4.1.2. Spectrum Industries

The contract was reviewed. The oversight committee recommended to continue the contract approval. A motion was made by Llew Perry of New Mexico and seconded by Gary Nytes of Minnesota to accept the committee recommendation. The motion passed unanimously.

4.1.3. Virco

The contract was reviewed and there was consensus that Virco was offering better prices through US Communities. Tom Peeler of Arizona stated that the US Communities is the best Virco price and he believes additional commissions are being paid to Virco sales staff for their use of the US Communities. This opinion was echoed by several others. The committee recommended not extending the Virco approval. A motion was made by Liz Storey of Kentucky and seconded by Pam Clover of Indiana to accept the committee recommendation. The contract was reviewed. The oversight committee recommended not to continue the contract approval. A motion was made by Llew Perry of New Mexico and seconded by Gary Nytes of Minnesota to accept the committee recommendation. The motion passed unanimously.

4.2 Extension of Technology Catalog

Elmo Kallner of Ohio chaired this oversight committee.

4.2.1. CDW-G

The contract was reviewed by Elmo. He indicated positive comments were received in his survey of users. Maureen from CDW-G also reviewed the success of the program. Mr. Kallner stated that the committee recommends extending the contract the final year. Llew Perry of New Mexico indicated CDW-G will have a final year to restructure the program prior to possible rebidding by AEPA. A motion was made by John Jankowski of North Dakota and seconded by Paul Utemark of Nebraska to accept the committee recommendation. The motion passed with Texas voting against the motion and the remaining members voting in favor of the motion.

5. Extension of AEPA IFB #3

Only one bid category was approved for award in December of 2002. The contract was approved for a one-year period, with the opportunity for three additional one-year extensions. The contract was approved for extension in December of 2003.

5.1. Extension by Category

John Jankowski of North Dakota headed the School and Office Supply Catalog Oversight Committee and made the presentation to the membership.

5.1.1. School and Office Supply Catalog

It was reported that a survey of the School Specialty bid was made and responses were received from 19 members. A summary was made by School Specialty of the proposed 2005 enhancements, including increased discounts in several areas and additional Early Childhood carpet and furniture. It was noted that this addition of carpet and furniture would not compete with the existing furniture awards and the existing carpet awards. Paper cost adjustments were also requested. The committee recommended extending the approval an additional year. A

ASSOCIATION OF EDUCATIONAL PURCHASING AGENCIES

motion was made by Paul Utemark of Nebraska and seconded by Jeff Kimball of Pennsylvania to accept the committee recommendation. The motion passed unanimously.

6. Extension of AEPA IFB #4

Four bid categories were approved for award in December of 2003, and included 10 approved vendors. The contracts awarded were approved for a one-year period, with the opportunity for four additional one-year extensions. It was noted that this was the first contract were contracts terminated February 28, thereby allowing an additional two months to complete the contract extensions.

6.1. Administrative Software

Steve Spade of Kansas chaired the Administrative Software Oversight Committee, and made the following reports.

6.1.1. School Dude

Steve reported that members were satisfied with the implementation of the SchoolDude software. He indicated that SchoolDude has requested to add a new module, IT Direct, to the offering. Max Luft from New Mexico noted that SchoolDude is going to receive a contract to install the software in every district in the state, and provide summary reports to the state. A motion was made by Jeff Kimball of Pennsylvania and seconded by Tom Peeler of Arizona to extend the contract and add the requested module. The motion passed unanimously.

6.1.2. Education Logistics

Mr. Spade said that the oversight committee recommends extending the Education Logistics contract approval another year. A motion was made by Jeff Kimball of Pennsylvania and seconded by Llew Perry of New Mexico to approve the committee recommendation. The motion passed unanimously.

6.2. Grounds, Athletic Fields, Tracks and Courts

The Athletic Fields, Tracks and Courts Oversight Committee consisted of Llew Perry of New Mexico as the chair, and Pete Paul of Texas as the additional member.

6.2.1. Robert Cohen

The committee reported that projects are completed or underway in Texas and New Mexico, and that marketing efforts are being expanded to the other states. It is the recommendation of the committee to extend contract for one more year. A motion was made by Pete Paul and seconded by Jeff Kimball to accept the committee recommendation. The motion passed unanimously.

6.2.2. Atlas Tracks

Llew Perry presented an email from Atlas Track indicating they are reducing their prices, effective with the contract renewals. A CD was also provided with expanded options for both turf and tennis courts. Atlas also indicated they are increasing their marketing program. Indiana expressed a concern regarding air photos by Atlas Track. A motion was made by Jeff Kimball of Pennsylvania and seconded by Steve Spade of Kansas to accept the price reductions and extend the contract for an additional year, including the new options. The motion passed unanimously.

ASSOCIATION OF EDUCATIONAL PURCHASING AGENCIES

6.3. Library Books

The Library Books Oversight Committee was chaired by Tony Crosby of Virginia, who was not present at the meeting. The other oversight member, Paul Utemark, from Nebraska indicated he had no information regarding progress by the vendors in this area. A motion was made by Jim Migliriono of Arizona and seconded by Frank Loehding of Montana to extend the contracts of the three library book vendors an additional year, and to have the committee contact the three vendors to establish goals for the 2005 year. The motion passed unanimously.

6.3.1. Gardners Books

6.3.2. Gumdrop Books

6.3.3. Gardners Books

6.4. Sports/Athletic Equipment and Supplies

The oversight committee chair, David Swantek, distributed and discussed a report summarizing progress of vendors in this area. The survey reported whether each state had a signed contract with each vendor, whether there was general satisfaction with each vendor, and then specific questions about the quantity and quality of service, responsiveness of vendor, effectiveness of marketing and reliability of the products. A final question was whether or not each of the contracts should be extended. Based upon the results of the survey, the committee recommended a one year extension of all three vendors. It was also recommended that School Health and Sportime International be contacted to establish specific goals. A motion was made by Frank Loehding of Montana and seconded by Paul Utemark of Nebraska to accept the committee recommendation and extend the contracts one year. The motion passed unanimously. Liz Storey of Kentucky commends Dave for his fine gathering of data and excellent presentation of the results.

The Chair summarized the action by AEPA members, indicating the following extensions and terminations.

Bid Extensions were as follows:

Bid #002

Spectrum

CDG-G

Bid #003

School Specialty

Bid #004

Education Logistics

SchoolDude

Robert Cohen

Atlas Track

Gardner Book Service

Gumdrop Books

Macken Library

Samson

ASSOCIATION OF EDUCATIONAL PURCHASING AGENCIES

School Health
Sportime

Bid Terminations were as follows:

Bid #002

Allsteel

Virco

Bid #003

None

Bid #004

None

7. Concerns of Membership

A general concern was expressed that a report of vendor dollars be gathered for the Spring meeting.

7.1. Committee Reports

Brief reports were presented by previously formed administrative committees.

7.1.1. Partnerships

The partner oversight committee had previously presented its report.

7.1.2. Website Report

Larry Risk and Pam Clover of Indiana presented a report summarizing use of the AEPA Website, www.aepacoop.org from April 1, 2004 through November 19, 2004. The report indicated the number of visitors and hits on each web page. Data revealed a total of 35,732 total visitors during the time period. The members expressed their appreciation for Indiana for maintaining the AEPA Website.

7.1.3. Marketing

Mike Hajek from Minnesota indicated he had prepared an AEPA brochure that has both an educational and sales orientation. Mike expressed the need for an agency contact list that includes phone numbers. To assist in marketing AEPA he said he would have a power point presentation prepared and emailed to members next week. Finally, Mike said he is working with two vendors to develop a vendor packet that will provide a guide for vendors in navigating the AEPA network.

7.1.4. New Members

The New Members committee was established to help the “new members” learn more of AEPA, to assist new members with the AEPA activities and to recruit new members. Possible new members include New York, Wisconsin, Rhode Island, Utah, Massachusetts and Georgia.

7.1.5. Procedure Review

John Jankowski from North Dakota, Procedure Committee Chair, indicated there was no report at this time. He indicated that update procedures would be distributed for review prior to the next meeting focusing on ethics, AEPA structure and the pros and cons of a more formal organization.

ASSOCIATION OF EDUCATIONAL PURCHASING AGENCIES

7.2. Financial Concerns

Max Luft, chair reported Cooperative Educational Services of Albuquerque, New Mexico, is serving as fiscal agent. Records indicate a balance of \$4,700 down from \$7,240 last year. The decrease is due to high costs for the Las Vegas meeting which included an event Tuesday evening, without increasing registration costs.

8. Setting Next Meeting.

8.1. Meeting Time and Date

A tentative schedule was established for the April 3rd through 5th meeting in San Diego. It was decided the meeting will commence with a reception at 5:00 pm on Sunday, April 3rd. The meeting will be held at the Hilton Airport/Harbor Island Hotel. .

7.2 Agenda and Format

Suggestions for additional meeting content included a Vendors Manual 101, a written report on vendor activity provided prior to the meeting, an oversight committee meeting with vendors and an optional Tuesday p.m. activity.

Adjournment

With no other business to come before the Association, the 11th general meeting of the Association of Educational Purchasing Agencies was adjourned at 5:15 p.m. Again, an expression of thanks was extended to Brian Talbot and AESA for providing space and refreshments for the AEPA meeting.