

MEETING REPORT #8

December 6, 2003

Marriot Resort

Marco Island, Florida

The meeting was held at the Marriot Resort, Marco Island, Florida, and commenced on Saturday, December 6, 2003. An overview of the agenda indicated the following tasks:

- Call to Order
- Award of AEPA IFB #4
- Extension of AEPA IFB #1 Contracts
- Extension of AEPA IFB #2 Contracts
- Extension of AEPA IFB #3 Contracts
- Committee Reports
- Selection of Date and Site for Next Meeting

1. Call to Order

The meeting was called to order at 1:05 pm at the Marco Island Marriott Resort by AEPA chairman 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 stated the area that they represented. The following Member Agencies, Vendors, and Honored Guests were represented as indicated below:

<i>Members</i>	<i>Representatives</i>
Arizona	Tom Peeler
California	Mike Mellon
Colorado	Dale McCall
Indiana	Larry Risk, Pam Clover
Iowa	Brent Siegrist
Kansas	Steve Spade
Kentucky	Liz Storey, Ann Burden
Minnesota	Gary Nytes, Mike Hajek
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, Donna Myrick
Pennsylvania	Jeff Kimball, Jim Randecker
South Dakota	Scott Westerhuis, Mary Louwagie
Texas	Pete Paul
Washington	Ron Ricketts, Dave Uglem, Jim Borrow
Wyoming	David Swantek

Honored Guests

AESA Brian Talbot, Kari Arfstrom

Vendors

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

It was noted that all members were represented.

It was noted that representatives from all agencies had contributed to the successful publication and review of AEPA IFB #4. 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 work on answering questions relating to the bid. All received a standing ovation for their work regarding the bid.

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. A request was made by the chair to move item #5, Extension of AEPA Bid #3 to after item #2, Approval of AEPA Bid #4. A motion was made by Elmo Kallner of Ohio and seconded by Pete Paul of Texas to approve the Agenda as amended. The motion passed unanimously.

1.3 Approval of Meeting Report #7

Meeting Report #7, which reflects activities of the March 22, 23 and 24 gathering in Seattle, was reviewed. A motion was made by Larry Risk of Indiana and Llew Perry of New Mexico to accept the report as an accurate account of the meeting. The motion passed unanimously.

2. Approval of AEPA IFB #4

It was stated that the history of the bid development, a review of questions from vendors about the bid, and the process used for bid receipt would be reviewed prior to analysis of responses.

2.1 Summary of Requests

Dale McCall of Colorado indicated a summary of requests would be presented by Pam Clover of Indiana. Pam noted that a vendor list had been provided by the computer program tracking queries and distribution of the bid. A printout of those viewing and downloading each bid lot was distributed.

2.2 Summary of Questions

Tammy Standley of Oregon presented a summary of the questions that were asked by potential respondents. She stated that 20 questions had been answered and published on the AEPA Web site. The most frequent questions focused on the bid bond and electronic submission.

2.3 Summary of Responses

Larry Risk of Indiana indicated Pam Clover from Indiana and Pete Paul, Bid Coordinator from Texas, verified the bid receipt and prepared the Bid Tabulation Report. This document was disseminated to all members. The first two pages were previously emailed to all members. Pete traced the bid development process and thanked all who contributed.

2.4 Approval by Bid Category

2.4.1 Administrative Software

Max Luft of New Mexico indicated the Administrative Software Oversight Committee reviewed the three submissions, and had a demonstration from the two top vendors. Evaluation criteria revealed scores of 19.5 for Maximus, 53.4 for Education Logistics and 80.0 for SchoolDude. The Committee recommended rejecting Maximus and approving SchoolDude for a browser-based program, and Education Logistics for a client-server program. A motion was made by Gary Nytes of Minnesota and seconded by Llew Perry of New Mexico to approve the recommendation. The motion passed unanimously.

2.4.2 Grounds, Athletic Fields, Tracks and Courts

Llew Perry of New Mexico indicated three sub categories had been bid. The Sub-category on flooring had two lots. A recommendation to reject Sport Courts on Sub-Category 1, Lots 1 and 2 was made by the committee. The Committee recommended approval of the following vendors:

Sub-Category 1 –

Lot 1 Hardwood Flooring

Robert Cohen

Lot 2 Synthetic Multi-Purpose Flooring

Robert Cohen

SRI Sports

Sub-Category 2 - Athletic Track, Fields and Courts

SRI Sports

Sub-Category 3 - Athletic Field Surfaces

SRI Sports

A motion was made by Gary Nytes of Minnesota and seconded by Jeff Kimball of Pennsylvania to approve the recommendation. The motion passed unanimously.

2.4.3 Library Books

Mike Hajek of Minnesota reviewed the submissions on the library bid. The committee recommended rejection of Capstone Press, Compass Point, Perfection Learning, Bound to stay Bound and Sagebrush. The committee recommended the approval of Gumdrop Books, Mackin Library and Gardners Books, based on adherence to bid specifications and price advantage. A motion was made by John Jankowski of North Dakota and seconded by Llew Perry of New Mexico to approve the recommendation. The motion passed unanimously.

2.4.4 Cell Phones

John Jankowski of North Dakota reported that no bids were received.

2.4.5 Industrial Arts Catalog

Jeff Kimball of Pennsylvania stated that the committee reviewed the bid by Paxton Paterson and recommended the bid be rejected because the discount was no greater than offered any other purchaser. A motion was made by Llew Perry of New Mexico and seconded by Tom Post of Missouri to approve the recommendation. The motion passed unanimously.

2.4.6 Paint and Supplies

Elmo Kallner of Ohio stated that no complete bid was received and that the committee recommended rejection of the single bid. The submitted response provided a very limited number of paint selections. A motion was made by Scott Westerhuis of South Dakota and seconded by Paul Utemark of Nebraska to reject the bid and approve the committee recommendation. The motion passed unanimously.

2.4.7 Science Equipment and Supplies Catalog

Dave Uglem of Washington reviewed the committee report. He indicated the committee recommended rejection of the single bid from Fischer Scientific because the bid was only 15% off list, the same discount provided any school or district. A motion was made by Llew Perry of New Mexico and seconded by Frank Loehding of Montana to approve the committee recommendation and reject the bid. The motion passed unanimously.

2.4.8 Sports / Athletic Equipment and Supplies Catalog

Steve Spade of Kansas reviewed the committee report. He indicated that there were four responses. The committee recommended awarding the full catalog to Sportime International, product offerings limited to weight training equipment to Samson, and product offerings limited to medical/health related equipment and supplies to School Health. The committee recommended rejection to BSN because of lack of adherence to bid specifications and parameters. A motion was made by Jim Randecker of Pennsylvania and seconded by Ron Ricketts of Washington to reject the bid submitted by BSN, and to approve the broader offering according to the committee recommendation. The motion passed unanimously.

The Chair summarized the action by AEPA members, indicating the following approvals and rejections.

Bid Approvals were as follows:

Administrative Software: *Education Logistics* and *SchoolDude*
Athletic Fields, Tracks and Courts: *SRI Sports* and *Robert Cohen Company*
Library Books: *Gardners Book Service*, *Gumdrop Books* and *Mackin Library Media*
Sports / Athletic Equipment and Supplies Catalog: *Sportime*, *Samson* and *School Health*

Bid Rejections were as follows:

Administrative Software: *Maximus*
Athletic Fields, Tracks and Courts: *Sport Court*
Library Books: *Bound to Stay Bound Books*, *Compass Point Books*, *Capstone Press*, *Perfection Learning* and *Sagebrush*
Industrial Arts Supplies and Equipment Catalog: *Paxton Patterson*
Paint and Supplies: *Paxton Patterson*
Science Equipment and Supplies Catalog: *Fisher Scientific Company*
Sports / Athletic Equipment and Supplies Catalog: *BSN Sports*

There was also discussion that information regarding the bids was not being adequately reviewed by the public, and when bidding catalogs, line item bids were more generally more advantageous than a straight discount for the entire catalog.

5. Extension of AEPA IFB #3 Contract (Note: This item acted on according to the Agenda as amended and approved by Board vote.)

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.

5.1 Summary of Use

Scott Westerhuis of South Dakota and David Swantek of Wyoming presented the report on use of AEPA contract. Scott presented the report containing data from the members; David presented the report containing data from the vendors. It was noted that there was discrepancy in the data when compared from the two sources.

Bid #1 data included reports from all vendors except Mannington and Miracle Recreation, and from all states except Iowa. Vendors reported 18.5 million in sales for the first nine months. No sales were reported by vendors for Colorado, Iowa, Minnesota, North Dakota or South Dakota. Members reported 28.5 million in sales. No sales were reported by members for California, Iowa, North Dakota, or South Dakota. For this analysis, sales by MicroWarehouse/CDW-G, which had overlapping contracts in Bid #1 and Bid #2, were allocated completely to Bid #2.

Bid #2 data included reports from all vendors except Buckstaff. Vendors reported 19 million in sales for the first nine months. No sales were reported by vendors for Arizona, California, Colorado, Iowa, Montana, South Dakota or Wyoming. Members reported 13.5 million in sales. No sales were reported by Arizona or Iowa.

Bid #3 data included the report from the only awarded vendor. School Specialty reported 1.5 million in sales for the first nine months. No sales were reported by the vendor for Colorado, Indiana, Iowa, Kansas, Minnesota, Missouri, North Dakota, South Dakota or Washington. Members reported 2.5 million in sales for the same period. No sales were reported by Iowa, Kansas, North Dakota, South Dakota or Washington.

Because of the disparity in numbers, a committee was appointed to review the data, work with David and Scott, and present amended numbers and recommendations at the upcoming meeting in Las Vegas. The committee was composed of Llew Perry from New Mexico and Jim Randecker from Pennsylvania representing the members, and Williams Scotsman, Tremco and CDW-G representing the vendors.

In summary, a recommendation was made to dedicate a portion of the Las Vegas meeting for vendors to review how to market, and to review what works and doesn't work in generating sales with through the AEPA members. Tremco will head this vendor meeting.

5.2 Extension by Category

3.2.1 School and Office Supply Catalog

Mary Louwagie of South Dakota made the report on behalf of the Oversight Committee. She indicated 14 members responded to her survey, 11 responded positively and three responded negatively. She noted that School Specialty had made a very good effort to market the items during their first year, and the program had been offered to members.

The committee recommended extending the contract an additional year. Chuck Luchen representing School Specialty made a brief report requesting approval of a High Use Line Item Catalog of about 800 items. A copy of that offering was distributed along with a second printout of very highly discounted items. He also noted that 8,000 to 10,000 items had fallen through the initial bid umbrella, and would like to extend the general catalog discount to those items. A motion was made by Elmo Kallner of Ohio and seconded by Jeff Kimball of Pennsylvania to accept the committee recommendation to extend the contract, to accept the offering of a High Use Line Item Catalog, and to accept the inclusion of 8,000 to 10,000 additional items in the extension. The motion passed unanimously.

Llew Perry of New Mexico indicated there is an accounting problem in the reports and while the format is satisfactory, the accuracy of the data is suspect. John Jankowski of North Dakota indicated that there are already several School Specialty contracts in his state, with individual line item prices often that are less than the AEPA prices. Mike Mellon from California indicated some School Specialty sales agents in California are pushing other School Specialty catalogs. Jim Randecker of Pennsylvania requested Chuck Luchen to provide a detailed verification of sales at the next AEPA meeting in Las Vegas.

3. Extension of AEPA IFB #1 Contracts

Five bid categories were approved for award in December of 2000. The contracts were approved for a one-year period, with the opportunity for four additional one-year extensions. In December of 2001, all of the vendors were approved for a second year. In December of 2002, only GDC Computers was not offered an extension.

3.1 Summary of use

During the presentation of Summary of Use for Bid #3, data for Bid #1 and Bid #2 were also reviewed. (see 5.1 above).

3.2 Extension by Category

3.2.1 Vehicles

Tom Peeler made the report (in the absence of the Oversight Committee Chair) that the committee recommended that the contract with Pioneer Ford be extended for a final year. A motion was made by Llew Perry of New Mexico and seconded by Tom Post of Missouri to approve the committee recommendation and extend the contract for a final year. The motion passed unanimously.

3.2.2 Roofing

Liz Storey of Kentucky made the report on the use of Weatherproofing Technologies/Tremco. She indicated the committee recommended extending the contract for the final year of original bid. A motion was made by Scott Westerhuis of South Dakota and seconded by Pete Paul of Texas to approve the committee recommendation and extend the contract for a final year. The motion passed unanimously.

3.2.3 Carpet

Tom Peeler of Arizona made the report for the Oversight Committee on Carpet. Tom indicated the committee recommended extensions for Shaw and Interface and to approve their requested price adjustments. The committee also recommended not extending the Mannington contract because of lack of volume. A motion was made by Llew Perry of

New Mexico and seconded by Frank Loehding of Montana to approve the committee recommendation extending Shaw and Interface, with requested adjustments, and not extending Mannington. The motion passed unanimously.

3.2.4 Playground Equipment

Steve Spade, chair of the Playground Equipment Oversight Committee made the report and distributed a Playground Equipment Summary. He noted responses from eleven states indicated 2 had no contracts, 9 had contracts with Landscape Structures and 3 had contracts with Miracle Recreation. Only one of the three members that had a contract with Miracle Recreation indicated definite intent to continue the contract. No state reported sales for Miracle Recreation. Steve indicated it is the recommendation of the committee to approve extension for Landscape Structure, and not approve contract extension for Miracle Recreation. A motion was made by Frank Loehding of Montana and seconded by John Jankowski of North Dakota to approve the committee recommendation. The motion passed unanimously.

3.2.5 Printers

Frank Loehding, chair of the Printer and Printer Supplies Oversight Committee reported that there were three vendors during the current year. He noted that from a review of use, the committee recommended not extending the contract with Sehi because of lack of use, not extending the contract with MicroWarehouse/CDW-G since those printer and printer supply items are now included in the Technology catalog, and extending the Lexmark contract since they have indicated plans to provide access to their printers through CDW-G. A motion was made by Steve Spade of Kansas and seconded by Pam Clover of Indiana to table the committee recommendation and any action on approval until CDW-G had made a presentation indicating how they plan to continue the MicroWarehouse contract. The motion passed unanimously.

4. Extension of AEPA IFB #2 Contracts

Three bid categories were approved for award in December of 2001, and included eleven approved vendors. The contracts awarded were approved for a one-year period, with the opportunity for four additional one-year extensions. 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.

4.1 Summary of Use

During the presentation of Summary of Use for Bid #3, data for Bid #1 and Bid #2 were also reviewed. (see 5.1 above)

4.2 Extension by Category

4.2.1 Furniture The Furniture Oversight Bid Committee was comprised of Chair Tom Post from Missouri and Dave Uglem from Washington. They indicated that noting contract use by various states, and reviewing the specific requests for extension provided by the vendors, furnished the documentation for their respective recommendations. A summary report was distributed, and was based on responses from 15 states. Of the six furniture vendors, the recommendation of the committee was to extend contracts for Allsteel, Spectrum and Virco. The recommendation of the committee was not to extend contracts for Tesco, Buckstaff and Childcraft, based on the volume of contracts and the number of states that are participating in the contracts. A motion was made by Llew

Perry of New Mexico and seconded by Steve Spade of Kansas to approve the committee recommendation. The motion passed unanimously.

4.2.2 Technology Catalog The Technology Catalog Bid Oversight Committee was chaired by Elmo Kallner of Ohio. He indicated most states were using MicroWarehouse prior to being absorbed by CDW-G. The current use by CDW-G is still pending. A survey of the 20 members garnered responses by 17. Of those, 15 have current contracts with MicroWarehouse; however most indicated they would not approve an extension without visiting with CDW-G. Elmo said that he had visited by email, by phone and in person with the new representative from CDW-G, and that today, Maureen O'Connell the government sales manager, was attending the AEPA meeting to share the ideas of CDW-G implementing a successful program. Maureen addressed the group and said CDW-G, a subsidiary of CDW, was formed in 1996 to address the k-12, higher education and government needs. She continued on to say that the growth has been steady and greatly supported by dedicated account managers. All orders flow through account managers. CDW-G currently has field representatives in 38 states. CDW is one of the Fortune 100 companies and voted one of the 13 best workplaces. The corporate headquarters are in Vernon Hills, Illinois. This acquisition of MicroWarehouse was the first of a large competitor, and the transition was not a merger or takeover; MicroWarehouse was acquired. CDW-G brought over the contracting team, sales team and the assets from MicroWarehouse, but did not assume responsibility for the liabilities. A handout was distributed requesting a contract renewal with minor revisions including: retaining 5% discount off catalog less administrative fees on most items, 7% off supplies, and 15% off cables. Currently, the contract calls for a 30% discount on Hewlett Packard printers, however requested a revision to 28% off Hewlett Packard MSRP. Finally CDW-G requested a minimum order amount of \$250 in order to qualify for free standard ground shipping through FedEx, UPS or Airborne. In order to continue the existing contract, CDW-G will pay all bounced checks from MicroWarehouse even though it has no legal liability, will pay third quarter and fourth quarter administrative fees, and institute the incentive program effective October 1, 2003. Comments by members indicated some prices were initially increased and talking to different CDW-G staff provided different prices. A motion was made by Elmo Kallner and seconded by John Jankowski to extend the CDW-G contract. The motion passed with 17 in favor and Iowa, Minnesota and Texas voting against the motion.

At the conclusion of the discussion on the Technology Catalog, a motion was made by Paul Utemark of Nebraska and seconded by Frank Loehding of Montana to accept the Printer and Printer Supplies Oversight Committee report. Action on this area had been tabled pending the discussion by CDW-G. The motion passed unanimously.

4.2.3 Modular and Portables

The Modular and Portables Oversight Bid Committee consisted of Chair, Pam Clover of Indiana, and Tammy Standley of Oregon. Both Williams Scotsman and Modular Solutions were approved for extensions in December of 2002. The committee indicated that their survey showed only three of the eight member agencies currently with current Modular Solution contracts were willing to renew their contracts. Williams Scotsman requested minor modifications of pricing by extending leasing agreements to 60 months, allowing steeper discount, over longer periods of time, and with new technologies providing handicapped restroom buildings. The committee recommended extension of the Williams Scotsman contract, and to not extend the Modular Solutions contract. A

motion was made by Frank Loehding of Montana and seconded by Tom Post of Missouri to accept the committee recommendation and approve contract extensions for Williams Scotsman to all members. The motion passed unanimously.

6. Concerns of Membership

Membership concerns are normally addressed in detail during the spring AEPA meeting. Brief committee reports were presented and as well as a financial summary was presented.

6.1 Committee Reports

Brief reports were presented by previously formed administrative committees.

6.1.1 Web Site Report Larry Risk and Pam Clover of Indiana presented a report of use of the AEPA Web site, www.aepacoop.org. A report summarizing the Web site use was presented. It indicated most hits occurred the week of September 28. The top 10% of all requests totaled 14,583 requests. The members expressed their appreciation for Indiana maintaining the AEPA Web site.

6.1.2 Partnerships There was no report from the partnership committee.

6.1.3 Marketing Mike Hajek from Minnesota had volunteered to chair a Marketing committee. Mike indicated he had prepared an AEPA PowerPoint presentation. He had visited with several vendors including MicroWarehouse and WTI, and had worked with other vendors to prepare marketing plans. The members expressed their thanks to Mike for his marketing efforts.

6.1.4 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. Max Luft from New Mexico indicated possible new members include New York, Connecticut, Massachusetts, Michigan and Wisconsin.

6.1.5 Procedure Review John Jankowski from North Dakota, Procedure Committee Chair, indicated there was no report at this time. He indicated that updates procedures would be distributed for review prior to the next meeting.

6.2 Financial Concerns

Max Luft, Chair indicated Cooperative Educational Services of Albuquerque, New Mexico, is serving as fiscal agent. Records indicate a balance of \$7,240.

6.3 National Joint Powers Alliance

Max Luft, Chair, stated that Mike Hajek of Minnesota requested time on the AEPA Agenda to present the National Joint Powers Alliance (NJPA). Mike distributed a summary to all the members. He summarized the mission statement and the organizational structure, and noted the website has a great deal of background information, including the NJPA Catalog. Several questions were asked about possible conflict with AEPA, and Mike indicated there was none. Mike noted that members can only profit from this alliance, and it is mutually profitable since the costs on their two main contracts are lower for Sharp copiers than on any state contract, and lower for Weatherproofing Technologies than can be obtained through AEPA. Mike stated this was designed to serve other states. If another state becomes an AEPA member, then NJPA will withdraw. There was a great deal of discussion and concern by many of the members. Elmo Kallner from Ohio indicated this can only splinter AEPA. With this comment, it was decided to discuss this more fully at the Las Vegas meeting under the Partnership Committee report.

7. Setting Next Meeting.

7.1 Meeting Time and Date

A tentative schedule was established for March 21 through 23 in Las Vegas. Max indicated there are many competing events that weekend, and more favorable meeting locations could be achieved by changing the dates to one week earlier or one week later. After discussion there was consensus that the 21-23 was best and that the meeting will begin on Sunday afternoon, March 21. Possible sites and rates were reviewed. The majority indicated a site at the southern end of the strip, cheaper than the MGM rate of \$130 per night, was preferred. Therefore, it was decided the meeting will commence with a reception at 4:30 on Sunday, March 21.

7.2 Agenda and Format

The purpose of the meeting is to increase vendor awareness, develop topics for the next bid, timelines and assignments for AEPA Bid #5, address issues of membership, review and modify Procedures, and deal with other matters that come before the Association. Format of the meeting will include vendor roundtables. The Chair and Vice-Chair will coordinate the meeting.

Adjournment

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