BOARD OF REGENTS
STATE OF IOWA

AGENDA ITEM 4
AUGUST 2, 2023

Contact: Aimee Claeys

UNIVERSITY OF NORTHERN IOWA
BOOKSTORE OPERATING AGREEMENT

Action Requested: Authorize the University of Northern Iowa to enter into an agreement with Follett Higher Education Group, Inc. for the operation of UNI Bookstore (Bookstore), located at 1009 West 23rd Street, upon such terms and conditions as are generally described in this memorandum.

Executive Summary: The University of Northern Iowa issued a Request for Proposal (RFP) to identify an external supplier and industry expert to manage the day-to-day operations of the UNI Bookstore. Utilizing one of the top national providers of college and university bookstore services allows the University to leverage an external supplier's expertise in the industry, provide economies of scale in operations, and enhance the services for the campus community. This partnership aligns with the University's strategic goal to *Steward Resources Effectively* by utilizing resources to improve equitable access, affordability and quality. An advisory committee comprised of faculty, staff, and student representation participated in the RFP review and on-campus interviews of suppliers. Follett was selected as the chosen operator by providing the best financial terms, a commitment to customer service, and industry expertise.

The University of Northern Iowa requests Board approval of the Bookstore Operating Agreement upon the following terms and conditions, and such other terms and conditions as are contained in the final Operating Agreement:

- *Operations*. The University shall contract with Follett for the operation of the Bookstore. The Operating Agreement contemplates that the Bookstore shall operate at its current location, consolidating retail operations onto the first floor.

- *Term*. The Operating Agreement shall remain in effective for a period of six (6) years, eight (8) months unless otherwise terminated in accordance with the terms of the Operating Agreement, with one (1) option to renew for an additional term of five (5) years.

- *Consideration*. Follett shall pay to the University a percentage of all commissionable sales calculated on an annual basis and payable in monthly installments. Follett shall also provide an annual Bookstore credit of $10,000 for textbook scholarships and an investment of up to $900,000 to update the facility.

- *Additional Terms and Conditions*. Follett shall acquire all sellable or rentable merchandise owned by the University as part of the University's operation of the Bookstore, and indicated a willingness to hire all current University Bookstore employees who choose to become employees of Follett. Follett shall operate the Bookstore in accordance with the highest standards and commercial practices in the college bookstore industry, subject to significant oversight and coordination with the University. The University shall maintain the physical structure of the leased space in good repair and shall provide all utilities, except internet.