

**Purchase Order**

**M**  
MARSHALL UNIVERSITY  
Direct all inquiries regarding this order to: (304) 696-2820

**Purchase Order #**  
MU17BOOKSTORE

TO: Vendor Code:  
Follett Higher Education Group, Inc.  
3 Westbrook Corporate Center Suite 200  
Westchester IL 60154  
FEIN: 362593135 Phone: 800-365-5388

Ship to:  
Room #

THIS ORDER IS SUBJECT TO THE GENERAL TERMS AND CONDITIONS AS SET FORTH HEREIN.  
WVFIMS Account #:

P.O. Date	FY	Buyer	Ship Via	F.O.B	Terms	Contract #
07/01/16	17	VT			N30	

CONTRACT ACCEPTANCE

On behalf of the Governing Board, MARSHALL UNIVERSITY hereby accepts the quotation of \_\_\_\_\_  
Follett Higher Education Group, Inc.

signed by Donald J. Germano  
Title President  
on February 1, 2016

Approved as to sufficiency of form and manner of execution this \_\_\_\_ day of \_\_\_\_\_, 2014.  
N/A  
Attorney General of the State of West Virginia

By: \_\_\_\_\_  
Chief Counsel

Campus-wide Bookstore  
Effective July 1, 2016 - June 30, 2017  
with nine (9) optional annual renewals.

THIS ORDER IS EXEMPT FROM ALL SALES TAX  
LIMIT EACH INVOICE TO A SINGLE PURCHASE ORDER NUMBER

Total: **Open-end**

Mail Original Invoice and 1 Copy to:  
Marshall University Accounts Payable  
One John Marshall Drive Huntington,  
WV 25755-4500

*Stephane [Signature]* 7-5-16  
Authorized Signature Date

**BOOKSTORE OPERATING AGREEMENT BETWEEN  
MARSHALL UNIVERSITY  
AND FOLLETT HIGHER EDUCATION GROUP, INC.**

This Bookstore Operating Agreement (“Agreement”) is made as of July 1, 2016 between Marshall University (School”) and Follett Higher Education Group, Inc. (“Follett”).

This open ended agreement for the management and operation of the Marshall University Bookstore locations include, in order of preference, this Bookstore Operating Agreement, Follett’s Proposal response to RFP #MU17BOOKSTORE, Follett’s Cost Proposal response to RFP #MU17BOOKSTORE, RFP #MU17BOOKSTORE Document, RFP #MU17BOOKSTORE Addendum #1 Document, and other related documents issued by School.

Intending to be legally bound, School and Follett agree:

1. **Store.** Subject to all the terms and conditions in this Agreement, Follett shall operate a bookstore (“Store”) for School.
2. **Term.** This Agreement takes effect July 1, 2016 and continues, unless sooner terminated in accordance with Section 3, until June 30, 2026. For the purpose of financial calculations and reporting, the “contract year” is defined as July to June. Thereafter, unless either party notifies the other in writing at least 120 days before expiration of the initial term, or then-current renewal term, of its intention not to renew, this Agreement shall automatically renew for successive one-year renewal terms under the terms and conditions set forth in this Agreement.
3. **Early Termination.**
  - 3.1 Either party may terminate this Agreement with or without cause by giving the other party at least 120 days prior written notice of termination.
  - 3.2 Either party may terminate this Agreement upon 90 days prior written notice for material nonperformance by the other party, documented, in case of nonperformance by Follett, in accordance with Section 7.4.
  - 3.3 School may terminate this Agreement immediately if Follett initiates any bankruptcy proceeding, or if any such proceeding initiated against Follett remains undismissed for 60 days.
4. **Rights Upon Termination, Expiration or Non-Renewal.**
  - 4.1 Termination, expiration or non-renewal of this Agreement shall not affect any right of either party accrued prior to such termination, expiration or non-renewal.
  - 4.2 On any termination, expiration or non-renewal of this Agreement, School shall pay Follett the unamortized book value of all Store Remodeling (as defined in Section 5) paid by Follett as follows:
    - The Store Remodeling book value shall be calculated on the straight-line method, from the in-service date[s], over the greater of 8 years or until expiration of this Agreement.
  - 4.3 On any termination, expiration or non-renewal of this Agreement, School shall purchase, or cause to be purchased, the Store inventory then on hand under the following terms:

“Store Merchandise” will include all salable and rentable merchandise in the Store, including new textbooks, used textbooks, trade, reference and technical books, Rental Program inventory, and included Program inventory, whether in stock or rented, and general merchandise. School shall cause all such merchandise to be inventoried by an independent firm. Each party may observe

the inventory if desired. Payment to Follett for Store Merchandise shall be made or caused to be made by School within 30 days after the completion of the inventory as follows:

- a) New Textbooks
  - 1. New textbooks adopted for the next academic term in quantities not exceeding course requirements will be purchased at standard industry discounts or cost.
  - 2. New textbooks not adopted for the next academic term, or adopted but in excess of course requirements, will be purchased at the current wholesale price.
- b) Used Textbooks
  - 1. Used textbooks adopted for the next academic term in quantities not exceeding course requirements will be purchased at 50% of the current retail selling price.
  - 2. Used textbooks not adopted for the next academic term, or adopted but in excess of course requirements, will be purchased at current wholesale price.
- c) Trade, Reference and Technical Books ("Trade Books")
  - 1. Trade Books that have been purchased during the past academic year and are returnable to the publisher will be purchased at standard industry discounts or cost.
  - 2. Trade Books not meeting these requirements will be purchased at a price agreeable to School and Follett.
- d) General Merchandise
  - 1. General merchandise traditionally sold in college bookstores, purchased in the past academic year, in salable condition, and not in excessive quantities, will be purchased at standard industry discounts or cost.
  - 2. General merchandise not meeting these requirements will be purchased at a price agreeable to School and Follett.

**5. Store Improvements.**

- 5.1 Follett shall spend up to a total of **\$1,300,000** to improve the current campus store location in accordance with this Section 5 and in the construction and equipping of a new Spirit Store as mutually agreed. This expenditure may include furniture, trade fixtures, and equipment, including point-of-sale equipment that is readily removable ("Capital Equipment") and Follett and third-party design and project management services, third-party architectural and engineering services, cabling and infrastructure, floor and wall coverings, decorating, lighting, and fixtures that are not readily removable ("Store Remodeling"). Capital Equipment and Store Remodeling each include all replacements, additions and extensions paid for by Follett, whenever installed. The Capital Equipment and Store Remodeling together comprise the "Store Improvements"
- 5.2 Follett has made various investments in the Store since it commenced operations pursuant to a prior agreement on June 20, 2005. These investments have been amortized and depreciated from the in-service date(s) in accordance with the previous agreement. The remaining book value of these prior investments (which the parties agree is \$0 as of June 30, 2016) together with all replacements, additions, and extensions, and any other improvement furnished by Follett to the Store over the life of this contract, constitute "Store Remodeling."
- 5.3 Follett shall prepare complete plans and specifications for the Store Improvements for review and approval by School, and shall work closely with School to develop mutually acceptable plans ("Plans"). School shall have the final approval over all the Plans; provided, however, that if the cost of carrying out the Plans as approved by School exceeds the amount set forth in Section 5.1, School shall be responsible for the excess.
- 5.4 When School has given final approval to the Plans, Follett shall submit an installation and/or construction schedule to School for approval. School shall review and comment on the Plans and schedule in a reasonable time frame to allow the project completion date to be met.

5.5 The Store Improvements shall meet or exceed the requirements of the Americans with Disabilities Act ("ADA") and all other applicable codes, laws and regulations, and shall be in accordance with Follett's Design Intent documents.

5.6 All Capital Equipment purchased by Follett will remain the property of Follett.

**6. General Rights and Responsibilities of Follett.**

6.1 Follett shall operate the Store in accordance with the highest standards and commercial practices in the college bookstore industry.

6.2 Follett shall operate the Store 12 months per year. The name of the Store shall not change. The Store's normal hours of operation and holiday closing schedule, shall be as approved in writing by School after consultation with Follett; hours of operation during registration periods, the first two weeks of classes, and all special campus events, shall be extended to coincide with demand.

6.3 Follett shall have the exclusive right, free from any alternate source endorsed, licensed or otherwise approved or supported by School (whether on campus, by catalog or through electronic commerce, including hyperlinks to alternate sources) to buy, sell, rent and distribute (including the right to select vendors) merchandise and services traditionally offered in college and university bookstores, including but not limited to, all required course materials (print and digital), class and alumni rings and jewelry, clothing (whether or not emblematic), school supplies, desk and dorm accessories, gifts, souvenirs, graduation regalia (sale and rental) and announcements, course-adopted software and paper and electronic custom anthologies, and textbook buybacks. Follett shall also have right of first refusal to fulfill any distance learning instructional and ancillary materials required by School during the term of this Agreement. This Section 6.3 does not prohibit occasional sales by student groups or student government organizations that do not materially impact Store sales.

6.4 School grants Follett the right, subject to School's published standards, to use the School's seal, logotype, and associated trademarks and service marks on the Store's Internet site, signage and collateral materials, and stationery, soft goods, notebooks, pens, pencils, decals and other goods traditionally sold in college and university bookstores. School will not grant such right to any other online or brick-and-mortar retailer during the term of this Agreement. If School changes its name, seal, or logotype with less than one year written notice to Follett prior to notice to the public, Follett may deduct from any commissions otherwise payable to School Follett's actual documented cost of all unsold emblematic merchandise on hand at the time of such change.

6.5 In order to secure property in the Store, Follett shall cooperate with School in providing Store security, theft prevention, and emergency procedures in case of fire or casualty. In cooperation with School Security, Follett shall create and maintain a Store security plan acceptable to School for textbook buyback, rush and other special events.

6.6 Follett shall not cause School's students, faculty, or staff suspected of theft or disturbance to be arrested by public authorities (except in emergencies) or prosecuted without prior consultation with School.

6.7 In its operation of the Store, Follett shall pay its bona fide financial obligations to School and to third parties in a timely manner.

6.8 Follett shall collect and pay any sales tax or similar tax on its retail sales, and applicable income taxes on its revenues. Follett shall not be responsible for property taxes on the Store facility or any other taxes not currently assessed.

6.9 Follett shall obtain and maintain at its sole expense, and in its name, all necessary licenses and permits required to perform the services described herein.

- 6.10 Follett shall abide, and require its employees to abide, by applicable School regulations and policies. School shall provide Follett with copies of applicable policies, and timely inform Follett of any changes.
- 6.11 Follett shall abide by all federal, state and local laws applicable to its operation.
- 6.12 In performing this Agreement, Follett shall not discriminate based on sex, race, national origin, religion, color, sexual orientation, veteran status, disabled veteran status, age or disability protected under the ADA.
- 6.13 Follett shall be responsible for any loss or damage to property owned by School that is in Follett's possession or control or is caused by Follett or its employees or agents in the course and scope of their employment.
- 6.14 Follett will make its corporate representatives reasonably available to School to discuss and resolve any operational issues.
- 6.15 Follett shall be responsible for daily cleaning of the Store interior, including provision of basic janitorial equipment and supplies, sweeping, dusting, and removal of light trash to School-provided receptacles.
- 6.16 Follett will offer School faculty and staff a 10% discount on all purchases over \$1.00, excluding textbooks, sale merchandise, computer hardware, and academically discounted software. Follett will offer all School departments a 20% discount on purchases of supplies over \$1.00, excluding textbooks, sale merchandise, computer hardware, and academically discounted software.
- 6.17 Follett will provide **\$15,000** annually in textbook scholarships for each full contract year during the term of this Agreement, in the form of gift cards or as an accounts receivable account. In the event there is a partial contract year, the payment will be prorated according to the contract year.

**7. General Rights and Responsibilities of School.**

- 7.1 School will provide and maintain an appropriate, safe and habitable location, in accordance with all applicable laws and regulations. School will make available to Follett all School-owned furniture, fixtures, equipment, shelving, lighting, flooring, plumbing, power and HVAC. School shall also keep the building in which the Store is located in compliance with all fire, building and electrical codes and regulations, including regulations governing fire alarms, smoke detectors, fire extinguishers, fire suppression and sprinkler systems, water pressure, plumbing and electrical service. School shall be responsible for any loss resulting from failure of the building to meet applicable building codes and regulations. If the School relocates all or any part of the Store operations, School will provide Follett with at least 90 days advance notice of the relocation and will reimburse Follett, within 30 days after Follett's invoice, for Follett's cost of the relocation.
- 7.2 School will name a representative authorized to advise Follett of School's approvals, consents and instructions under this Agreement.
- 7.3 School may prohibit sale at the Store of any item it finds offensive or inappropriate.
- 7.4 If at any time School is dissatisfied with Follett's performance under this Agreement, School shall document the unsatisfactory performance and submit the documentation to Follett for immediate review and corrective action. School may require a review meeting to prepare the corrective action.
- 7.5 School shall provide the following services and support to the Store at no cost to Follett:
  - a) Internal and external building maintenance, including, but not limited to: plumbing, electric, light bulbs, HVAC and other mechanical systems, fire protection, roof membrane and

- structure, floors, walls, ceilings, windows and doors in accordance with School's building standards;
- b) Building standard utilities;
  - c) Pest control services on the regular School schedule;
  - d) Local telephone/data service including all equipment and lines (telephone toll charges to be charged to Follett at the same rate charged to School's departments);
  - e) Reasonable access to School's telecommunications and network systems as required to install, at Follett's sole expense, T1 lines and associated connectivity for Follett's point-of-sale systems;
  - f) Security of persons and property in the same manner provided for other School premises;
  - g) Lost and found service as regularly provided by School;
  - h) Parking for Follett's employees in common with other authorized parkers in a location approved and provided by School (Follett's employees must abide by all applicable parking regulations); and
  - i) Participation in any debit or credit card, voucher program, or other payment or financial aid service now or hereafter made available by School to its students or to local merchants.
- 7.6 Within 180 days of the execution of this Agreement, School will implement the ConnectOnce integration between School and Follett systems to facilitate the course import and enrollment integration, and the includedED and Follett Discover programs. The School will provide a prominent hyperlink from the School's Learning Management System (LMS) to the Follett Discover tool.
- 7.7 School will require its faculty and staff to provide Follett with timely and accurate textbook adoption information.
- 7.8 Follett will integrate the School's financial aid transactions with the Store's operating systems for both in-store and/or online transactions. As part of that integration, within the first academic term of the execution of this integration, School will provide Follett the following information: student name, unique identification number for each student (student ID commonly used), a credit limit provided by the School for each student, date range for approved charges, any product restrictions required and student email address.
- 7.9 Follett will extend credit to School for financial aid and departmental charge accounts in accordance with the terms set forth in Follett's standard credit application. School will furnish to Follett all required information and will pay all accounts within 30 days of invoice, or will pay applicable late charges as provided in the credit application. School will send all A/R payments directly to the bank via ACH, Wire Transfer or Lock Box. Follett may deduct past due A/R charges that are more than 120 days in arrears from School's commission payments as outlined in Section 10.
- 7.10 To help the School maximize their brand exposure and increase revenue, School will provide to the Store at no cost, the following:
- a) A hyperlink to the Store's eFollett website on the home page of the School's website and on the appropriate subpage(s) of the School's website a Store information page that includes information on Store hours, location, and other information as appropriate. The subpage shall also include and a hyperlink to the Store's eFollett website.
  - b) Approval to send Financial Aid notifications by email and SMS to students, notifying them of their financial aid balances, timelines for using funds, and other messaging to help promote the use of available funds in the Store.
  - c) The opportunity, as determined by Follett, to include material promoting the Store into all future and current student mailings (physical and digital), new student orientation packets, and new/welcome alumni membership mailings (physical and digital).
  - d) Advertising in faculty, athletic, and student e-newsletters with a hyperlink to the Store's eFollett website.
  - e) Advertising space in any School-produced print publication (weekly, quarterly or yearly).
  - f) In keeping with industry standard practices, School shall provide the following:

- i. all enrolled student email addresses one month before the start of the fall term each year;
  - ii. all accepted student email addresses within one month of acceptance notice distribution each spring; and
  - iii. all alumni emails one month before the start of the fall term each year (where the School operates the Alumni Association).
- g) The opportunity to present Store information and promotional information at student and parent orientations.
  - h) The opportunity to regularly present at faculty/staff orientation to review current Store programs and services.
  - i) The opportunity to present campus Store events and promotions on any existing or future closed circuit campus message broadcast applications.
  - j) The opportunity to set up a temporary retail location for athletic, alumni, and other events that are held on the School campus.
  - k) Provide key staff members of the Store a school .edu email address.

**8. Bookstore Personnel.**

- 8.1 Follett will furnish sufficient adequately trained personnel to provide efficient and courteous service to customers, including sufficient substitute personnel in case of employee absence. In addition, Follett will provide ongoing training in customer service and will formally recognize and reward employees who provide superior customer service.
- 8.2 Follett may conduct a pre-employment background check, as well as screening required by the School and/or state in which the Store is located. In the event adverse information is received as a result of the screening, Follett will manage the information received and the offer of employment in accordance with the Follett Background Check Policy. Follett reserves the right to rescind the offer of employment made prior to the screening.
- 8.3 School may participate in interviewing and evaluation of Follett's Store Manager should the need arise to fill the position. Follett's selection of the Store Manager is subject to School's approval.

**9. Bookstore Sales.**

- 9.1 In operating the Store, Follett will charge industry standard, competitive and fair prices, which, at present, are as follows:
  - a) On new textbooks and trade books, not more than the publishers' list price, or a 25% gross margin (cost divided by .75) on net price books and list price books sold to Follett at less than a 25% discount off list, plus freight and handling costs and rounded up to the next quarter.
  - b) On coursepacks, text "packages," "kits," "sets," and "bundles," and non-returnable and return-restricted texts, not more than a 30% gross margin (cost divided by .70), plus freight and handling costs and rounded up to the next quarter.
  - c) On ebooks and other digital content, when Follett determines the end-user price, Follett will follow the same pricing rules applicable to coursepacks, and when the publisher determines the end-user price and Follett acts as agent, Follett will use the publisher price.
  - d) On used books, including cloth, paperback and others, not more than 75% of the new textbook selling prices rounded up to the next quarter.
  - e) On rental books, Follett will be setting rental fees for each title, and any given title's fee may vary as a percentage of the retail selling price.
  - f) On general merchandise, not more than the normal gross profit margin for similar merchandise in the college bookstore industry.
  - g) Where applicable, includED Program fees ("includED Fees") will be determined by Follett for each semester or summer session and submitted to School.

- 9.2 Follett will offer its Price Match Program ("PMP") to School. The PMP includes textbooks (new, used and rental) that are currently in-stock at the Store as well as at competing retailers, but excludes digital books. The following terms and conditions apply:
- a) The student brings their original receipt and/or the advertisement for the better price to the Store within seven days of their original purchase.
  - b) The book must be in stock at the Store and with the retailer advertising the lower price. Retailers include: a local bookstore, Amazon (excluding its Marketplace), Chegg or Barnes & Noble. This program excludes peer-to-peer marketplaces and online aggregator sites.
  - c) The lower priced item must match the exact book and edition purchased or rented, including accompanying CDs, online access codes, student manuals, etc.
  - d) Once verified, the Store associate calculates the difference and issues a Store gift card to the student.
  - e) The PMP and its terms and conditions are subject to change over the term of this Agreement at Follett's discretion.
- 9.3 Follett will expeditiously process text requests placed after the adoption deadline. Where applicable, text requests for the included program placed after the adoption deadline may result in the materials being excluded from the included Program.
- 9.4 Follett will purchase used textbooks year round. Follett will purchase textbooks adopted for the next academic term in quantities sufficient to meet course requirements at not less than 50% of the student's purchase price rounded to the nearest quarter. Follett will purchase used books not adopted for the next academic term or in excess of course requirements at wholesale prices prevailing in School's locality rounded to the nearest quarter.
- 9.5 Follett will accept returns in accordance with the following policies:
- a) Non-textbook items in resalable condition may be refunded or exchanged at any time with original receipt.
  - b) Textbooks in resalable condition may be refunded with receipt within seven (7) calendar days from the start of classes or within two (2) days of purchase thereafter, including during summer term.
  - c) Textbooks purchased during the last week of classes or during exams may be sold back under the book buyback policy.
  - d) Computer software may be returned if it is unopened and shrink-wrapped.
  - e) In addition, upon proof of drop/add, Follett will accept textbook returns from students who have dropped a course up to thirty (30) days from the start of classes or until the end of the official drop/add period, whichever comes first.
- 9.6 In operating the Store, Follett shall accept as a minimum, MasterCard, Visa, Discover and American Express charge cards. Follett will pay all merchant charges associated with acceptance of these credit cards.

## **10. Commission.**

- 10.1 Follett shall pay commission to the School in an annual amount equal to the sum of:

**13.1%** of all Net Revenue\* up to **\$5,000,000**; plus  
**14.1%** of any part of Net Revenue over **\$5,000,000**

Follett will pay 7% of all Net Revenue of digital course materials.



Gross Revenue is defined as all collected sales made by the Store or the Store's worldwide Web page, catalog, or mail order function (if any), including the includED program fees, text rental fees and replacement costs collected for materials not returned, including Follett's agency fee when Follett sells digital content as agent, and including any commissions received from class rings or graduation regalia, which shall be the applicable gross revenue.

\*Net Revenue is defined as Gross Revenue less refunds, voids, returns, taxes, allocations of Follett-funded scholarships, discounted sales to authorized School faculty, staff and other departments under this Agreement, and including but not limited to computer system sales (such as hardware, components and software at less than a 20% margin), and consumer electronics (such as MP3 players, digital cameras and e-readers), any rental program processing fees, and less sales made at no margin by Follett at the request of the School, all as reasonably calculated by Follett.

- 10.2 If in the first full contract year during the term of this Agreement, commission payments to School calculated in accordance with Section 10.1 are less than **\$600,000** ("Guaranteed Annual Income"), Follett will pay School an additional amount necessary to bring total payments to School for that year up to the Guaranteed Annual Income. Follett will provide a Guaranteed Annual Income in all future years of this agreement that will be an amount equal to ninety percent (90%) of the calculated commission on net revenue of the immediately preceding year. In any partial contract year commission will be based on the applicable percentage and not on the Guaranteed Annual Income.
- 10.3 Follett's willingness to enter into an agreement under the terms offered within is based on the financial information provided by the School. If for any reason any material or detrimental deviation from the School's reported financial information (including but not limited to annual sales) as compared to the first year's financial performance occurs Follett would expect to renegotiate appropriate modifications to the proposed terms.
- 10.4 Follett will keep complete and accurate records of all Store transactions in accordance with industry accounting practices and will provide a statement of Store gross revenue to School monthly for the preceding period. Follett will preserve records of store operations for 3 years from the transaction date, and will make them available for review, audit and verification by School at the Store upon request on reasonable advance notice during ordinary business hours other than during Store "rush" periods.
- 10.5 Follett shall pay the commission calculated in accordance with Section 10.1 monthly, twenty days after the end of the month. Any other payment required to be made by Follett to School under this Agreement shall be made within thirty days of receipt of invoice. Follett will make any payments due under Section 10.2 within 90 days after the end of the year. In case of termination of this Agreement, other than at a year-end, payments under Section 10.2 shall be prorated to the actual date of termination.

Follett will process commission payments by sending ACH transfers (Direct Deposit) in lieu of paper checks.

On the day the ACH payment is made, the School's designated recipient will receive an email informing the School thereof. A csv file (that can be opened in Excel) will be attached to the email that will contain the remit information with the document numbers that were paid (similar to the check remittance advice). Please note that this is not a wire transfer. The process takes approximately 7-10 business days to process once the necessary form is completed by the School and submitted to Follett's Accounts Payable department.

## **11. Bookstore Rentals.**

- 11.1 Follett will provide a proprietary course material rental program ("Rental Program") via individual rental agreements with students ("Student Rental Agreements"). Rental pricing will be determined by Follett. Two types of textbooks will be eligible for adoption in the rental program:

The "National Title List" Textbook. Follett will offer a National Textbook Rental Title List of the textbooks available for rental, which will be updated periodically by Follett (the "National Title List").

The "Local Program" Textbook. School may select books not on the National Title List to be part of the Rental Program provided School agrees to continue to adopt the specific book(s) for at least four consecutive semesters. In the event School fails to consistently comply with meeting the four consecutive similar-sized semesters commitment in the aggregate, Follett at its sole discretion may eliminate the Local Program.

- 11.2 School will support the Rental Program as follows: Successor in Interest - On any termination, expiration or non-renewal of this Agreement, Student Rental Agreements will be assigned to School or successor store operator. Where rented textbooks have not been returned, where no charge has been made to the credit or debit card held as security therein, or where some other loss occurs under a Student Rental Agreement, School will look solely to the student.

**12. includedED Program.**

- 12.1. The parties shall agree at the outset of each academic term which students are automatically part of the includedED program. School will provide Follett with the student data necessary to administer the includedED Program through integration between Follett and School's student information system. School will be responsible for the collection of includedED Fees and any applicable fees (i.e., nonreturn or damage) from students. includedED Program course material adoptions will continue to be the responsibility of School and faculty. Format option will be provided by Follett based on the School's course material adoptions. The student will not have an option to choose materials or material format. Material formats eligible for the includedED Program include: new, used, rental, digital and consumable course materials (single use items are not eligible for rental, such as workbooks, coursepacks, single-use pass codes and adopted supply items).
- 12.2 If School is going to claim a resale or other tax exemption, School shall provide Follett with the applicable certificate of tax exemption. In the event that School does not provide such certificate, includedED Fees are deemed subject to sales tax or similar tax, and School shall be responsible for such taxes.
- 12.3 The School will record the appropriate includedED fee in a timely manner for each student enrolled in a class participating in the includedED Program.
- 12.4 Follett shall invoice School for includedED Fees based upon the number of students using School provided data. School shall pay Follett the includedED Fees within 30 days after receipt of invoice. Follett reserves the right to withhold commission payments until includedED Fees are received. If there are any disputed items, the payment will be made less line items in dispute. Disputed charges will be addressed and re-billed within 30 days.
- 12.5 Follett shall invoice school with detailed data including student name and the course materials within 30 days after the mutually agreed upon last day to process drops each term. This date reflects the School's 100% refund date. School is fully responsible for collecting such fees from students. School shall pay Follett within 30 days after invoice date. Follett reserves the right to withhold commission payments until includedED Fees are received.
- 12.6 Follett agrees to waive the fee for students who are exempt from paying course fees consistent with School policy/regulations, specifically students terminating classes due to medical (or other) reasons approved by School to be eligible for a full refund of tuition and/or fees as long as the student's materials are checked back in.
- 12.7 Two types of rental textbooks will be eligible for adoption in the includedED Program:

The "National Title List" Textbook. Follett will offer a National includedED Title List of the textbooks available for the program, which will be updated periodically by Follett (the "National Title List").

The "Local Program" Textbook. School may select books not on the National Title List to be part of the includedED Program provided School agrees to continue to adopt the specific book(s) for at least four similar-sized semesters over a two-year period. In the event School fails to consistently comply with meeting the four similar-sized semesters commitment in the aggregate, Follett at its sole discretion may eliminate the Local Program and/or institute a surcharge to the School.

- 12.8 Continuing usage of the same edition of a book after the initial four semesters will not extend the commitment period. If a title changes edition before the four-term commitment has been met and Follett is unable to obtain sufficient copies to meet the course need, Follett will work with the School on a case-by-case basis to determine best option. Other scenarios will be handled on a case-by-case basis.
- 12.9 Any material required for a course which the material is not able to be used by a student in a following term due to the expiration of the material or the removal of parts of the material shall be considered consumable. Consumable course materials shall consist of, but are not limited to, workbooks, study guides, laboratory manuals and electronic access codes. Consumable course materials are included in the includedED Program. Consumable course materials will be identified as such and will either expire at the end of the semester or do not need to be returned.
- 12.10 Physical textbooks for courses that are not offered with reasonable frequency (Special Topics and Limited Offering courses) cannot be offered as a rental title in the includedED Program unless they are on the National Title List. Reasonable frequency is defined as a course being offered no less often than every other semester. The commitment period of such books shall be 4 years. *Exception:* If a book for such a course were to be used in another course with comparable enrollment that is offered in different semesters and the two courses combined meet the frequency criteria, then the book may be brought in as an includedED program book tied to both courses.
- 12.11 Follett will work with School to set adoption guidelines to be used by faculty which respect the academic integrity and freedom of the faculty but strive to keep the includedED Fees low.
- 12.12 Students are responsible for picking up, taking good care of, and returning their textbooks to the bookstore each term. Textbooks must be checked-in by a specific date each term. Books that are brought back to the store in a damaged state shall not be accepted back. Such damages shall include, but are not limited to: Any water damage, torn and missing covers, missing pages, torn pages, and defacement of pictures, graphs, charts or text. The Store management is the final arbiter of the damage to a textbook. Reasonable highlighting and taking of notes in the book margins shall not be considered defacement. Books refused as damaged will result in the application of additional charges. If the textbook has defects such as missing pages, water damage, or torn covers the student must exchange the book within three days of the date received. After that time, the student assumes the liability for the textbook's condition. If the textbooks are lost or stolen, the School is still liable for the replacement cost.
- 12.13 Failure by the student to check-in includedED books by the published due date shall result in the application of additional charges. If the student drops a course they must return the book immediately so the book is available for the student who takes their place in the course. If the student is taking a continuation course that requires the same book, if they are repeating a course, or if they have an incomplete to finish, they must still return the book to the store by the due date of the semester for the original course or the School will be charged for the book. All parts of any textbook packages must be returned with the textbook. This includes CDs, supplemental reading, etc.

12.14 Additional charges shall consist solely of the retail used selling price of the textbook that is either lost or damaged or not checked-in. These charges shall not deduct any portion of the included Fees that were paid. Prior to the last day to check-in books, the student may pay the replacement costs of their lost or damaged book to Follett who will then note the student's book as "checked-in" in the rental computer system. After the last day to check-in books, payment to the store shall be the responsibility of the School who shall then hold sole responsibility for collecting said fees from the student.

**13. Insurance.**

13.1 During the term of this Agreement, Follett shall keep in force, at its own expense, at least the following insurance, all in accordance with this Section:

- a) Commercial General Liability having a combined single limit of not less than \$1,000,000 per occurrence covering premises and operations, contractual liability and products/completed operations;
- b) Business Automobile Liability having a combined single limit of not less than \$1,000,000 per occurrence covering claims arising out of ownership, maintenance, or use of owned or non-owned automobiles;
- c) Worker's Compensation insurance having limits not less than those required by applicable statute;
- d) Employer's Liability in the amount of at least \$1,000,000.
- e) Excess or Umbrella Liability in the amount of at least \$2,000,000.

13.2 School, its Board of Governors, affiliates, officers, directors, volunteers, and employees shall be named as additional insureds by blanket endorsement under the Commercial General Liability policy upon the School's written request.

13.3 Follett shall furnish industry standard Certificate[s] of Liability Insurance to School showing the coverage required by this Section within 30 days after execution of this Agreement or before Follett takes possession of the Store, whichever is earlier. The Certificate[s] shall provide that, should any of the above policies be cancelled before the expiration date thereof, notice will be delivered in accordance with policy provisions.

13.4 School will notify Follett of any flood plain zoning changes affecting the Store within 30 days of receiving notice of such change from any source.

13.5 If School causes any work to be performed by a third party on the building housing the Store, then School will provide Follett an industry standard Certificate of Liability Insurance from the third party's insurance company(ies) for Commercial General Liability and Business Automobile Liability, with combined single limits of at least \$1,000,000 per occurrence on each. Follett shall be an additional insured under the third party's Commercial General Liability policy.

**14. Indemnification.**

14.1 Follett shall defend, indemnify and hold harmless School, its Board of Governors, affiliates, officers and employees from any and all claims, suits, actions, damages, judgments, and costs (including reasonable attorney fees), arising out of any: (i) damage, destruction or loss of any property (including but not limited to School's property); or (ii) injury to or death of any person (including but not limited to any employee of School); which results from or arises out of negligent or willful acts or omissions of Follett, its officers, agents and employees, in the performance of this Agreement.

14.2 The parties recognize and agree that School is an agency of the state of West Virginia and as such is vested with sovereign/constitutional immunity, and nothing in this agreement shall be construed as a waiver of such immunity. Further, to the extent permitted by West Virginia law, School shall defend, indemnify and hold harmless Follett, its affiliates, directors, officers and

employees from any and all claims, suits, actions, damages, judgments, and costs (including reasonable attorney fees) arising out of any: (i) damage, destruction or loss of any property (including but not limited to Follett's property); or (ii) injury to or death of any person (including but not limited to any employee of Follett); which results from or arises out of negligent or willful acts or omissions of School, its officers, agents or employees, in the performance of this Agreement.

15. **Independent Contractor Status.** The relationship of the parties is that of independent contractors, and no tenancy, partnership, joint venture, agency, fiduciary or other relationship is created. Neither party may order any goods nor services, incur any indebtedness, or enter into any obligation or commitment on the other party's behalf.
16. **Nonassignability.** Neither party may assign or sublet this Agreement in whole or in part without the prior written consent of the other party, except that either party may assign this Agreement in its entirety to an affiliate that controls, is controlled by or is under common control with such party. This Agreement is made for the exclusive benefit of the parties, and no benefit to any third party is intended.
17. **Notice.** Notices required or permitted by this Agreement shall be deemed given when received if sent by recognized overnight courier or first class mail, postage prepaid, to the following address, or such other address as the party may specify by notice:

To School:  
Brandi Jacobs-Jones  
Senior Vice President for Operations  
& Chief of Staff  
Marshall University  
Old Main 114  
One John Marshall Drive  
Huntington, WV 25755

To Follett:  
Donald J. Germano  
President  
Follett Higher Education Group  
3 Westbrook Corporate Center, Suite 200  
Westchester, Illinois 60154

With a copy to:  
Marshall University  
Office of Purchasing  
Old Main 125  
One John Marshall Drive  
Huntington, WV 25755

With a copy to:  
Follett Corporation  
3 Westbrook Corporate Center, Suite 200  
Westchester, Illinois 60154  
Attn: General Counsel

18. **Severability.** If any provision of this Agreement is finally adjudicated illegal, invalid, in excess of the authority of either party hereto, or otherwise unenforceable, then such provision shall be severed, and the remainder of this Agreement shall remain in force as if such adjudicated provision were never included in this Agreement.
19. **Integrated Agreement.** This Agreement: (i) is the sole expression of the understanding of the parties with respect to operation of the Store, (ii) supersedes all prior statements and agreements with respect thereto, and (iii) may not be modified, amended or waived except in writing signed by an authorized representative of the party against whom such modification, amendment or waiver is sought to be enforced.
20. **Confidential Information.** As part of the Follett Discover program, Follett will have access to confidential information held by School, including specific "non-public" information, the safeguarding of which is governed in part by the provisions of the Family Education Rights and Privacy Act (FERPA) and other federal and state laws. This information includes biographic and financial information obtained from a student or parent in the process of providing educational services. Biographical and financial information includes, but is not limited to: name, shipping and email addresses, phone numbers and student IDs, and if applicable, financial aid information. School represents that it has the right to provide Follett with access to such information for the purposes hereof.

Follett agrees to maintain the confidentiality of such information as mandated by applicable state and federal laws using the measures Follett uses to protect its own information of like character, but in each case with at least a reasonable standard of care, and to only access such information for the explicit business purposes of the Follett Discover program, including providing the services contemplated thereunder. Follett will return or destroy all confidential information it receives from School upon completion of the Follett Discover program.

Follett further acknowledges that any uncured material breach of the confidentiality obligations set forth above will be considered a material breach of the Follett Discover program, at which time School may terminate the Follett Discover program by providing at least 30 days prior written notice of termination to Follett. (For purposes of clarity, any such breach or termination shall not affect or permit School to terminate the Bookstore Operating Agreement [BOA] or any other contract between the parties or their respective affiliates.)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective authorized representatives as of the date first written above.

**FOLLETT HIGHER EDUCATION  
GROUP, INC.**

**MARSHALL UNIVERSITY**

By: 

By: 

Name: Donald J. Germano

Name: Brandi D. Jacobs-Jones

Title: President

Title: SVP for Operations/Chief of Staff

Date: June 27, 2016

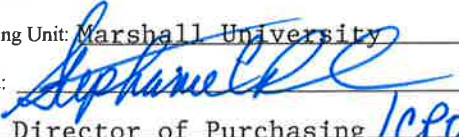
Date: 7/7/16

**AGREEMENT ADDENDUM**

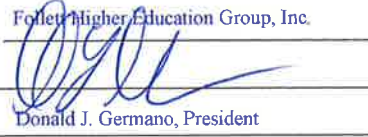
In the event of conflict between this addendum and the agreement, this addendum shall control:

1. **DISPUTES** – Any references in the agreement to arbitration or to the jurisdiction of any court are hereby deleted. Disputes arising out of the agreement shall be presented to the West Virginia Court of Claims.
2. **HOLD HARMLESS** – Any provision requiring the Agency to indemnify or hold harmless any party is hereby deleted in its entirety.
3. **GOVERNING LAW** – The agreement shall be governed by the laws of the State of West Virginia. This provision replaces any references to any other State’s governing law.
4. **TAXES** – Provisions in the agreement requiring the Agency to pay taxes are deleted. As a State entity, the Agency is exempt from Federal, State, and local taxes and will not pay taxes for any Vendor including individuals, nor will the Agency file any tax returns or reports on behalf of Vendor.
5. **PAYMENT** – Any reference to prepayment are deleted. Payment will be in arrears.
6. **INTEREST** – Any provision for interest or charges on late payments is deleted. The Agency has no statutory authority to pay interest or late fees.
7. **NO WAIVER** – Any language in the agreement requiring the Agency to waive any rights, claims or defenses is hereby deleted.
8. **FISCAL YEAR FUNDING** – Service performed under the agreement may be continued in succeeding fiscal years for the term of the agreement, contingent upon funds being appropriated by the Legislature or otherwise being available for this service. In the event funds are not appropriated or otherwise available for this service, the agreement shall terminate without penalty on June 30. After that date, the agreement becomes of no effect and is null and void. However, the Agency agrees to use its best efforts to have the amounts contemplated under the agreement included in its budget. Non-appropriation or non-funding shall not be considered an event of default.
9. **STATUTE OF LIMITATIONS** – Any clauses limiting the time in which the Agency may bring suit against the Vendor, lessor, individual, or any other party are deleted.
10. **SIMILAR SERVICES** – Any provisions limiting the Agency’s right to obtain similar services or equipment in the event of default or non-funding during the term of the agreement are hereby deleted.
11. **FEES OR COSTS** – The Agency recognizes an obligation to pay attorney’s fees or costs only when assessed by a court of competent jurisdiction. Any other provision is invalid and considered null and void.
12. **ASSIGNMENT** – Notwithstanding any clause to the contrary, the Agency reserves the right to assign the agreement to another State of West Virginia agency, board or commission upon thirty (30) days written notice to the Vendor and Vendor shall obtain the written consent of Agency prior to assigning the agreement.
13. **LIMITATION OF LIABILITY** – The Agency, as a State entity, cannot agree to assume the potential liability of a Vendor. Accordingly, any provision limiting the Vendor’s liability for direct damages to a certain dollar amount or to the amount of the agreement is hereby deleted. Limitations on special, incidental or consequential damages are acceptable. In addition, any limitation is null and void to the extent that it precludes any action for injury to persons or for damages to personal property.
14. **RIGHT TO TERMINATE** – Agency shall have the right to terminate the agreement upon thirty (30) days written notice to Vendor. Agency agrees to pay Vendor for services rendered or goods received prior to the effective date of termination.
15. **TERMINATION CHARGES** – Any provision requiring the Agency to pay a fixed amount or liquidated damages upon termination of the agreement is hereby deleted. The Agency may only agree to reimburse a Vendor for actual costs incurred or losses sustained during the current fiscal year due to wrongful termination by the Agency prior to the end of any current agreement term.
16. **RENEWAL** – Any references to automatic renewal is hereby deleted. The agreement may be renewed only upon mutual written agreement of the parties.
17. **INSURANCE** – Any provision requiring the Agency to purchase insurance for Vendor’s property is deleted. The State of West Virginia is insured through the Board of Risk and Insurance Management, and will provide a certificate of property insurance upon request.
18. **RIGHT TO NOTICE** – Any provision for repossession of equipment without notice is hereby deleted. However, the Agency does recognize a right of repossession with notice.
19. **ACCELERATION** – Any reference to acceleration of payments in the event of default or non-funding is hereby deleted.
20. **CONFIDENTIALITY** – Any provision regarding confidentiality of the terms and conditions of the agreement is hereby deleted. State contracts are public records under the West Virginia Freedom of Information Act.
21. **AMENDMENTS** – All amendments, modifications, alterations or changes to the agreement shall be in writing and signed by both parties. No amendment, modification, alteration or change may be made to this addendum without the express written approval of the Purchasing Division and the Attorney General.
22. **DELIVERY** – All deliveries under the agreement will be FOB destination unless otherwise stated in the State’s original solicitation. Any contrary delivery terms are hereby deleted.

**ACCEPTED BY:**  
**STATE OF WEST VIRGINIA**

Spending Unit: Marshall University  
 Signed:   
 Title: Director of Purchasing / CPO  
 Date: June 29, 2016

**VENDOR**

Company Name: Follett Higher Education Group, Inc.  
 Signed:   
 Title: Donald J. Germano, President  
 Date: June 27, 2016

**Life of Contract**

**LIFE OF CONTRACT PAGE**

**LIFE OF CONTRACT:** This contract becomes effective on July 1, 2016 and extends for a period of one (1) year or until such reasonable time thereafter as is necessary to obtain a new contract. Such "reasonable time" shall not exceed twelve (12) months upon expiration of one (1) year from the effective date of this contract by giving the Director of Purchasing thirty (30) days written notice.

**RENEWAL:** This contract may be renewed upon mutual written consent, submitted to the Director of Purchasing thirty (30) days prior to the date of expiration. Such renewal shall be in accordance with the terms and conditions of the original contract and shall be limited to nine (9) successive one (1) year periods.

**CANCELLATION:** The Director of Purchasing reserves the right to cancel this contract immediately upon written notice to the vendor if the commodities or services supplied are of an inferior quality or do not conform to the specifications of the bid and contract herein.

**OPEN MARKET CLAUSE:** The Director of Purchasing may authorize a spending unit to purchase in the open market, without the filing of a requisition or cost estimate, items specified on this contract for immediate delivery in emergencies due to unforeseen causes (including but not limited to delays in transportation or an unanticipated increase in the volume of work).

**TIME:** Time consumed in delivery or performance is of the essence.

**ORDERING PROCEDURE:** Departments shall submit a requisition for commodities covered by this contract to the Purchasing office. Purchasing will then issue a purchase order to the vendor as authorization for shipment. If accepted by the vendor, the University's State Purchasing card may be used.

**FUNDING PARAGRAPH:** Service performed under this contract is to be continued in the succeeding fiscal year contingent upon funds being appropriated by the Legislature for this service. In the event funds are not appropriated for these services, this contract becomes of no effect and is null and void after June 30.

**INTEREST:** Any provision for interest or charges on late payments is deleted. The Agency has no statutory authority to pay interest or late fees.

**CONTRACT PRICING:** Unless otherwise allowed by the Director of Purchasing, price increases will be approved only at the beginning of each renewal period. All adjustments will be made in dollars, not per cent. Requests for price increases must be received in writing by the Director at least thirty (30) days in advance of the effective date. Vendors may add products throughout the term of this contract when it is in the best interest of the University. The Director at Marshall University will determine which products will be added. Price decreases will be "passed through" to Marshall University.



**Marshall University**  
**Cloud Computing Contract Addendum**

“**Institution**” as used herein means Marshall University, its Board of Governors, Colleges, Schools, and Departments.

“**Vendor**” as used herein means Follett Higher Education Group, Inc.

*(Insert Vendor Name Here)*

**Definitions**

“**Confidential Information**” is defined as any and all information whose collection, disclosure, protection, and disposition is governed by state or federal law or regulation, particularly information subject to the Family Educational Rights and Privacy Act (FERPA), the Gramm-Leach-Bliley Act (GLBA), or Marshall University Policy [<http://www.marshall.edu/board/board-of-governors-policies/>]. This information includes, but is not limited to, Social Security numbers, student records, financial records regarding students (or their parents or sponsors), financial and personal information regarding Marshall University employees, and other personally identifiable information identified by law.

“**Covered Data**” includes any institutional data defined as “confidential information”.

“**Institution Data**” includes data uploaded by users of the service and communications between the user, the Institution, and Vendor.

“**Notification Event**” includes Vendor system that may access, process or store University data is subject to unintended access. Unintended access includes compromise by a computer worm, search engine web crawler, password compromise or access by an individual or automated program due to a failure to secure a system or adhere to established security procedures.

“**Vendor User**” includes the Vendor and its employees, agents, contractors, and other persons associated with Vendor.

**Use of the Data**

The Vendor agrees that data provided to them during the provision of service shall be used only and exclusively to support the service and service execution, and not for any other purpose. Unless expressly permitted by the written consent of an Institution official authorized to give such consent, Vendor and its employees, agents, contractors, and other persons associated with Vendor (collectively, the “Vendor Users”) are only permitted to use, reuse, distribute, transmit, manipulate, copy, modify, access, or disclose the Institution Data to the extent necessary for Vendor to implement and maintain the information as set forth in this Addendum. Except as otherwise specifically provided for in this Agreement, the Vendor agrees that Institution Data will not be shared, sold, or licensed with any third-

party, except approved sub-contractors, without the express written approval of the Institution and the Senior Vice President for Information Technology.

Vendor will be solely responsible for any unauthorized use, reuse, distribution, transmission, manipulation, copying, modification, access, or disclosure of Institution data and any non-compliance with the data privacy and security requirements by Vendor Users.

### **Data Protection**

Upon termination, cancelation, expiration or other conclusion of the Agreement, Vendor shall return the Covered Data to Institution unless Institution requests that such data be destroyed. This provision shall also apply to all Covered Data that is in the possession of subcontractors or agents of Vendor. Vendor shall complete such return or destruction not less than thirty (30) days after the conclusion of this Agreement. Within such thirty (30) day period, Vendor shall certify in writing to Institution that such return or destruction has been completed.

Compliance with Federal, State, and Local Laws and Regulatory Requirements; Vendor's product must be compliant with any Federal, State, and Local privacy laws or regulations applicable to the Institution, including but not limited to: the Family Educational Rights and Privacy Act (FERPA) (Pub. L. No. 93-380 (1974), codified at 20 U.S.C. § 1232g); the Health Insurance Portability and Accountability Act of 1996 (HIPAA) (Pub. L. No. 104-191, § 264 (1996), codified at 42 U.S.C. § 1320d; Standards for Privacy of Individually Identifiable Health Information, 45 C.F.R. § 160 (2002), 45 C.F.R. § 164 subpts. A, E (2002); the Gramm-Leach-Bliley Act (GLBA) (Pub. L. No. 106-102 (1999), privacy protections are codified at 15 USC § 6801 et seq.).

Vendor agrees that it may create, have access to, or receive from or on behalf of Institution or students, or have access to, records or record systems that are subject to the Family Educational Rights and Privacy Act ("FERPA"), 20 U.S.C. Section 1232g (collectively, the "FERPA Records"). Vendor represents, warrants, and agrees that it will: (1) hold the FERPA Records in strict confidence and will not use or disclose the FERPA Records except as (a) permitted or required by this Agreement, (b) required by law, or (c) otherwise authorized by Institution in writing; (2) safeguard the FERPA Records according to commercially reasonable administrative, physical and technical standards that are no less rigorous than the standards by which Vendor protects its own Confidential Information; and (3) continually monitor its operations and take any action necessary to assure that the FERPA Records are safeguarded in accordance with the terms of this Agreement. At the request of Institution, Vendor agrees to provide Institution with a written summary of the procedures Vendor uses to safeguard the FERPA Records.

Vendor agrees to adhere to the additional FERPA requirements listed at the following web address: [\[http://ptac.ed.gov/sites/default/files/data-sharing-agreement-checklist.pdf\]](http://ptac.ed.gov/sites/default/files/data-sharing-agreement-checklist.pdf) if any of the data is used for research or a longitudinal study.

**Notification of Security Incidents**

Vendor, within one day of discovery, shall report to Institution any use or disclosure of Confidential Information not authorized by this Addendum or in writing by Institution. Vendor's report shall identify: (i) the nature of the unauthorized use or disclosure, (ii) Confidential Information used or disclosed, (iii) who made the unauthorized use or received the unauthorized disclosure, (iv) what Vendor has done or shall do to mitigate any deleterious effect of the unauthorized use or disclosure, and (v) what corrective action Vendor has taken or shall take to prevent future similar unauthorized use or disclosure. Vendor shall provide such other information, including a written report, as reasonably requested by Institution.

Vendor agrees to comply with all applicable laws that require the notification of individuals in the event of unauthorized release of personally-identifiable information or other event requiring notification. In the event of a breach of any of Vendor's security obligations or other event requiring notification under applicable law ("Notification Event"), Vendor agrees to assume responsibility for informing all such individuals in accordance with applicable law and to indemnify, hold harmless and defend the Institution and its Board of Governors, officers, employees, agents and representatives from and against any claims, damages, or other harm related to such Notification Event.

**Institutional Marks Protection**


Use of Institution name, marks, or logos: All use by Vendor of Institution name, marks, and content must be approved in writing by Institution and the Senior Vice President of Communications. Institution reserves the right to review all uses of it name, marks or logos prior to their use by Vendor.

**Indemnification**

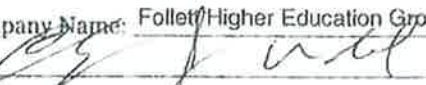
Vendor shall indemnify, defend and hold Institution harmless from all lawsuits, claims, liabilities, damages, settlements, or judgments, including Institution's costs and attorney fees, which arise as a result of Vendor's negligent acts, omissions or willful misconduct.

**ACCEPTED BY:**

**MARSHALL UNIVERSITY**

By:   
Title: Director of Purchasing/COO  
Date: 7-5-16

**VENDOR**

Company Name: Follett Higher Education Group, Inc.  
By:   
Title: Clayton J. Warr, Exec. VP, Sales & Operations  
Date: June 13, 2016

STATE OF WEST VIRGINIA  
Purchasing Division

# PURCHASING AFFIDAVIT

**MANDATE:** Under W. Va. Code §5A-3-10a, no contract or renewal of any contract may be awarded by the state or any of its political subdivisions to any vendor or prospective vendor when the vendor or prospective vendor or a related party to the vendor or prospective vendor is a debtor and: (1) the debt owed is an amount greater than one thousand dollars in the aggregate; or (2) the debtor is in employer default.

**EXCEPTION:** The prohibition listed above does not apply where a vendor has contested any tax administered pursuant to chapter eleven of the W. Va. Code, workers' compensation premium, permit fee or environmental fee or assessment and the matter has not become final or where the vendor has entered into a payment plan or agreement and the vendor is not in default of any of the provisions of such plan or agreement.

**DEFINITIONS:**

**"Debt"** means any assessment, premium, penalty, fine, tax or other amount of money owed to the state or any of its political subdivisions because of a judgment, fine, permit violation, license assessment, defaulted workers' compensation premium, penalty or other assessment presently delinquent or due and required to be paid to the state or any of its political subdivisions, including any interest or additional penalties accrued thereon.

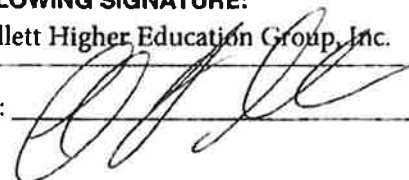
**"Employer default"** means having an outstanding balance or liability to the old fund or to the uninsured employers' fund or being in policy default, as defined in W. Va. Code § 23-2c-2, failure to maintain mandatory workers' compensation coverage, or failure to fully meet its obligations as a workers' compensation self-insured employer. An employer is not in employer default if it has entered into a repayment agreement with the Insurance Commissioner and remains in compliance with the obligations under the repayment agreement.

**"Related party"** means a party, whether an individual, corporation, partnership, association, limited liability company or any other form or business association or other entity whatsoever, related to any vendor by blood, marriage, ownership or contract through which the party has a relationship of ownership or other interest with the vendor so that the party will actually or by effect receive or control a portion of the benefit, profit or other consideration from performance of a vendor contract with the party receiving an amount that meets or exceeds five percent of the total contract amount.

**AFFIRMATION:** By signing this form, the vendor's authorized signer affirms and acknowledges under penalty of law for false swearing (W. Va. Code §61-5-3) that neither vendor nor any related party owe a debt as defined above and that neither vendor nor any related party are in employer default as defined above, unless the debt or employer default is permitted under the exception above.

**WITNESS THE FOLLOWING SIGNATURE:**

Vendor's Name: Follett Higher Education Group, Inc.

Authorized Signature:  Date: 2/1/2016

State of Illinois

County of Cook, to-wit:

Taken, subscribed, and sworn to before me this 1st day of February, 2016.

My Commission expires September 8th, 2018.

**AFFIX SEAL HERE**



NOTARY PUBLIC Ruth Renkor   
*Purchasing Affidavit (Revised 08/01/2015)*



**State of West Virginia  
DRUG FREE WORKPLACE CONFORMANCE AFFIDAVIT  
West Virginia Code §21-1D-5**

**STATE OF WEST VIRGINIA,**

**COUNTY OF \_\_\_\_\_, TO-WIT:**

I, Clayton J. Wahl, after being first duly sworn, depose and state as follows:

1. I am an employee of Follett Higher Education Group, Inc.; and,  
(Company Name)
2. I do hereby attest that Follett Higher Education Group, Inc.  
(Company Name)

maintains a written plan for a drug-free workplace policy and that such plan and policy are in compliance with **West Virginia Code §21-1D**.

The above statements are sworn to under the penalty of perjury.

Printed Name: Clayton J. Wahl  
 Signature:   
 Title: Executive Vice President, Sales & Operations  
 Company Name: Follett Higher Education Group, Inc.  
 Date: June 13, 2016

Taken, subscribed and sworn to before me this 13th day of June, 2016.

By Commission expires 9/18/19

(Seal)

(Notary Public) Ruth Ann Renkor

OFFICIAL SEAL  
 RUTH ANN RENKOR  
 NOTARY PUBLIC - STATE OF ILLINOIS  
 MY COMMISSION EXPIRES 09/18/19

**THIS AFFIDAVIT MUST BE SUBMITTED WITH THE BID IN ORDER TO COMPLY WITH WV CODE PROVISIONS. FAILURE TO INCLUDE THE AFFIDAVIT WITH THE BID SHALL RESULT IN DISQUALIFICATION OF THE BID.**



# TABLE OF CONTENTS

## CONFIDENTIALITY STATEMENT

4.1.1 Company Experience and Resources .....	1
1. Current Client List .....	1
2. Company Experience .....	1
3. Competitive Advantage .....	7
4. Financial Statements .....	8
5. Increase in Revenues .....	8
6. Economic Impact .....	8
7. State Legislation .....	8
4.1.2 Operations Plan .....	10
1. Organizational Resources .....	10
2. Marketing Plan .....	11
3. Affordability Legislative Mandates .....	26
4. Pricing Policies/ Textbook Affordability .....	35
5. Responsibility to Faculty for Affordability Legislative Mandates .....	36
6. Delivering Course Materials .....	37
7. Campus Cards .....	45
8. Pricing Structure for Products/Services .....	45
9. Corporate Support .....	51
10. Subcontractors .....	53
11. Accounting and Control Systems .....	53
12. Technology .....	54
13. Hours of Operation .....	68
4.1.3 Student Financial Aid .....	69
4.1.4 Capital Improvement/Renovation and Furnishing Plan .....	75
4.1.5. Human Resources .....	86
1. Management Team .....	86
2. Store Managers Role .....	89
3. Management Development and Training Programs .....	90
4. Hiring Process for Hourly Personnel .....	92
5. Staff Training Programs .....	93
6. Performance Appraisal .....	101
7. Salary Structure and Benefits .....	101
8. Recognition / Incentive Programs .....	102
4.1.6 Customer Service/Quality Assurance .....	104
1. Service Evaluation .....	104
2. Customer Feedback .....	105
3. Policies and Procedures for Customer Complaints/Refunds Policy .....	107
4. Performance Based Incentives .....	109
5. Trade Associations / Cooperatives .....	112
6. White Papers .....	113
4.1.7 Transition Plan .....	114
4.1.8 Financial Information/Terms .....	115
General Terms and Conditions .....	116

APPENDIX A: COMPLETE LIST OF INSTITUTIONS SERVED BY FOLLETT

APPENDIX B: FINANCIALS AND BANK & BUSINESS REFERENCES

APPENDIX C: WHITE PAPERS

APPENDIX D: CERTIFICATE OF INSURANCE

**1. INTRODUCTION ..... 3**

1.1 PURPOSE ..... 3

1.2 PROJECT ..... 3

1.3 SCHEDULE OF EVENTS..... 3

1.4 INQUIRIES ..... 4

1.5 BID SUBMISSION ..... 4

1.6 PRE-PROPOSAL CONFERENCE ..... 4

**2. OVERVIEW..... 4**

2.1 ECONOMY OF PREPARATION ..... 4

2.2 CONTRACT TERMS AND CONDITIONS ..... 4

2.3 INSURANCE REQUIREMENTS ..... 5

2.4 BEST VALUE PURCHASING – STANDARD FORMAT ..... 5

2.5 AWARD ..... 5

2.6 SITE VISITS ..... 5

**3. OPERATING ENVIRONMENT..... 6**

3.1 LOCATION ..... 6

3.2 MARSHALL UNIVERSITY BOOKSTORE: ..... 6

3.3 CONTRACT ADMINISTRATION ..... 6

3.4 INFORMATION (APPENDICES)..... 7

3.5 UTILITIES/MAINTENANCE/OTHER..... 7

**4. SCOPE OF REQUEST..... 8**

4.1 DELIVERABLES..... 8

**5. PROPOSAL INSTRUCTIONS ..... 14**

5.1 PROPOSAL FORMAT ..... 14

5.2 SUBMISSION OF PROPOSAL..... 14

5.3 EVALUATION PROCESS ..... 14

Additional  
 Appendices A-D  
 Marshall University Request for Proposal Supplemental Package