TO: Members of the Board of Trustees  
FROM: Dr. Francisco Rodriguez, Chancellor  
DATE: August 12, 2015  
SUBJECT: BOARD LETTER FOR AUGUST 19, 2015 MEETING

Board Meeting Location  
Next week’s Board meeting will be held at the Van de Kamp Innovation Center (VdK). The meeting will take place in Room 215 of the Old Bakery Building.

Meetings          Time
Convene for Public Session  12:00 p.m.
Recess to Closed Session  Immediately Following Public Session
Reconvene Second Public Session  Immediately Following Closed Session

Office of the Deputy Chancellor – Enclosed for your information is a memo regarding piggyback procurement. (Refer to Attachment A)

Office of Facilities Planning and Development – Enclosed for your review is a memo regarding an update on Information Technology projects priority list. (Refer to Attachment B)

Let me know should you have any questions regarding the meeting.
RESPONSE TO BOARD MEMBER INQUIRY

Received From: Response to Statement by Public Speaker

Item No. #20

Subject: Piggyback Procurement

SEE ATTACHMENT

Submitted By: Adriana D. Barrera, Deputy Chancellor  Date: August 19, 2015
To: Adriana D. Barrera, Deputy Chancellor

FROM: James Watson, Contracts Manager

DATE: August 12, 2015

SUBJECT: STAPLES RESPONSE

I have reviewed the document dated August 5, 2015 titled Public Higher Education Piggyback Benefits Comparison of the E & I. Ms. Elizabeth Randall, Sales Representative for Staples, provided a comparison of the E & I aggregate group in which Staples is included.

The first line of comparison indicates the duration of the contracts. Please recall that in California under Education Code we can only enter into agreements such as these for no more than three (3) years. This is in order to keep pricing fresh and competition high. The E & I contract runs for ten (10) years.

Both the E & I and NJPA aggregator groups issue their contracts on a national basis so indeed the number of participants will be larger than the users or possible users of the Foundation for California Community Colleges (FCCC) contracts.

In the past, the District used the E & I contract because the District was a member of the National Association of Educational Procurement (NAEP) group. As such, there is a cost to using an E & I contract, via the membership fees. There is no similar fee to use the NJPA or FCCC contracts.

I recommend that for now, the District continue issuing orders through the FCCC contract with Office Depot until such time as the FCCC has finalized its formal bid that should be complete in two months. At that time, we can more effectively compare and contrast what is being offered by firms attempting to capture the District’s business.
<table>
<thead>
<tr>
<th>Benefits/Characteristics</th>
<th>E&amp;I Higher ED:</th>
<th>NJPA:</th>
<th>FCCC CollegeBuys 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract end date including extensions</td>
<td>09/30/2025</td>
<td>07/31/2020</td>
<td>10/31/2020</td>
</tr>
<tr>
<td># of college/university members</td>
<td>3500</td>
<td>5,000</td>
<td>112</td>
</tr>
<tr>
<td>LACCD a current member of this piggyback:</td>
<td>Yes, #007490</td>
<td>No (Free to join)</td>
<td>Yes.</td>
</tr>
<tr>
<td>Largest participants</td>
<td>24 campus CSU List</td>
<td>LACCD?</td>
<td></td>
</tr>
<tr>
<td>Yr Piggyback organization founded</td>
<td>1937</td>
<td>1986</td>
<td>1967</td>
</tr>
<tr>
<td>1) # of deeply discounted core items</td>
<td>11,000+</td>
<td>20,000+</td>
<td>1,001</td>
</tr>
<tr>
<td>Includes discounted reman and pvt label ink/toners?</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>2) Includes best buy/pvt label office products as alts?</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>3) 30% of weight is not listed bid prices but “% off catalog”</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>4) # of items limit college district may custom discount?</td>
<td>No # limit</td>
<td>No # limit</td>
<td>50 items</td>
</tr>
<tr>
<td>LACCD Annual volume rebate at $2.5 million annual spend</td>
<td>3%</td>
<td>5%</td>
<td>?</td>
</tr>
<tr>
<td>LACCD Annual volume rebate at $4.0M+ annual spend</td>
<td>4%</td>
<td>5%</td>
<td>?</td>
</tr>
<tr>
<td>Additional prompt payment rebate?</td>
<td>1%</td>
<td>-</td>
<td>?</td>
</tr>
<tr>
<td>5) Combined annual rebate at $2.5 million?</td>
<td>4%</td>
<td>5%</td>
<td>?</td>
</tr>
<tr>
<td>6) Max. annual rebate $2.5 million spend</td>
<td>$100,000</td>
<td>$125,000</td>
<td>?</td>
</tr>
<tr>
<td>7) Max annual rebate at $4 + million spend</td>
<td>$125,000</td>
<td>$125,000</td>
<td>?</td>
</tr>
<tr>
<td>8) 5 year max rebate at $2.5 million</td>
<td>$400,000</td>
<td>$500,000</td>
<td>?</td>
</tr>
<tr>
<td>9) 5 year max rebate at $4+ million spend</td>
<td>$625,000</td>
<td>$625,000</td>
<td>?</td>
</tr>
</tbody>
</table>
To: E&I Members  
From: Gary D. Link, Senior Vice President, Contracts & Support Services  
Date: July 1, 2010  
RE: E&I adoption of OfficeMax Agreement; CICPC RFP 111

Approximately eight years ago, E&I began moving to a competitive and formal Request For Proposal-based contract model. Our goal in this effort is to ensure that our contracts are fully compliant with our members’ institutional, federal, state and local codes and policies. To-date, more than 90% of E&I’s portfolio of contracts have been awarded under the competitive contracting model.

The Cooperative’s adopted agreement with OfficeMax, CNR01270, awarded by the Committee on Institutional Cooperation Purchasing Consortium (CICPC) supports our continued effort in this area.

CICPC Members include the University of Chicago, the University of Illinois, Indiana University, the University of Iowa, the University of Michigan, Michigan State University, the University of Minnesota, Northwestern University, The Ohio State University, The Pennsylvania State University, Purdue University, and University of Wisconsin

The agreement followed the generally accepted steps in an RFP process and award as outlined below:

1. Procurement professionals from CICPC developed and issued a competitive RFP solicitation.
2. The solicitation was advertised in the on the Illinois Higher Public Education website.
3. The RFP team developed an evaluation criterion (included in the RFP), and recommended an award to Office Max as the preferred supplier.
4. The CICPC Board of Directors voted to approve the RFP team recommendation.
5. E & I Cooperative adopted the Office Max Agreement and it is available to all E & I Members.
6. The solicitation was issued to the following suppliers: Office Depot, Staples, OfficeMax, Guy Brown, Caddo Solutions, VTS Supplies, Garvey Office Products, and Caracal-Sigma.

E&I has reviewed the awarded agreement by the CICPC and determined that an adoption of this agreement would provide E&I members with an opportunity for significant costs savings.

Best Regards,

Gary D. Link  
Senior Vice President, Contracts & Support Services
Office Depot Sees 2Q Sales Slide 10%

Company faces challenges as it awaits regulatory approval of its merger with Staples

By EZEQUIEL MINAYA

Aug. 4, 2015 8:12 a.m. ET

Office Depot Inc., awaiting regulatory approval of its merger with rival Staples Inc., saw sales slide in its second-quarter as currency headwinds, store closures and a declining market in the face of an increasingly digital workplace dented results.

In June, Staples Inc.’s proposed takeover of Office Depot won shareholder backing with 99.5% of votes. The tie-up would bring the number of office supply chains down to one from three only a few years ago. Office Depot acquired rival chain OfficeMax in 2013.

Last month, the watchdog American Antitrust Institute expressed concern over the planned $6.3 billion merger, a deal that was scrapped nearly 20 years ago amid concerns that consumers would face higher prices with less competition in the sector.
But the chances for regulatory approval appear improved this time out. The retail landscape has changed since the union was last proposed, with the increasingly paperless office cutting into the top line while e-commerce sites compete for the shrinking business.

The company said it expects some $100 million in expenses related to the pending merger with Staples.

Under the terms of the deal, Office Depot shareholders were slated to receive for each company share $7.25 in cash and 0.2188 of a Staples share. The companies are still awaiting regulatory approval from agencies in the U.S., European Union, Canada and Australia.

In the latest quarter, Office Depot posted a loss of $58 million, or a loss of 11 cents a share, compared with a year-earlier loss of $190 million, or 36 cents a share.

Excluding items, the company reported a profit of 6 cents a share, compared with a year-earlier loss of 2 cents a share.

Sales fell 10% to $3.44 billion from $3.84 billion.

Analysts surveyed by Thomson Reuters had projected earnings of 6 cents a share on revenue of $3.49 billion.

North American retail, Office Depot’s biggest segment by sales, posted a 8% decline to $1.3 billion, hurt by store closures. Same-store sales inched up 1%.

Sales in the North American business solutions unit fell 3.8% to $1.43 billion in the period.

Revenue in the international division tumbled 20% to $664 million because of foreign exchange volatility. In constant currency the dip was a less pronounced 6%.

Shares were inactive premarket.

Write to Ezequiel Minaya at ezequiel.minaya@wsj.com
MEMO

Date: August 6, 2015

To: Board of Trustees

From: James O’Reilly, chief facilities executive

RE: Update on Information Technology Projects Priority List

Please find attached a memo from the BuildLACCD interim program director, Bill Sewell, regarding the status of the IT project priority list. This updated had been requested in advance of a more detailed presentation, which will be presented to a board committee in the coming months.

If you have any questions, please feel free to call me at (213) 891-2048.

C: Dr. Francisco Rodriguez, chancellor
   Dr. Adriana Barrera, deputy chancellor
   Thomas Hall, director, Facilities Planning and Development

JDO/drm
MEMORANDUM

Date: August 5, 2015

From: Bill Sewell, Interim Program Director

To: James D. O'Reilly, LACCD Chief Facilities Executive

Subject: Status of the Priority List for Information Technology Projects

On April 29, 2015 the Program Management Office (PMO) made a presentation to the Facilities Master Planning & Oversight Committee detailing the status of the Measure J funded Information Technology (IT) projects and recommending the following next steps which were adopted by the Board of Trustees (Com. No. FPD3, May 27, 2015):

1. PMO will manage the District-wide IT program with the same rigor as the remainder of the building program;
2. PMO will transfer any non-advisable projects and contracts to the District;
3. PMO will continue discussions with the District's IT stakeholders to develop a Strategic Execution Plan (SEP);
4. PMO will align the SEP with findings and recommendations made by a prior Independent Review Panel and by Bond counsel; and
5. PMO will reallocate funds within the District-wide IT program to address the needs of the SEP.

On May 1, 2015, the PMO received a letter from Deputy Chancellor Barrera outlining a shared governance participation requirement from the Technology Program Planning Committee (TPPC) and the District Technology Council (DTC). On May 7, 2015, the PMO met with both of these groups and presented the Strategic Execution Plan (SEP) process and its dependence upon recommendations provided by the groups. We emphasized the urgency of the SEP development, asked the groups to deliver their recommendations by May 22, 2015, and reiterated the need at subsequent meetings.

On June 29, 2015, having issued notification to the District Administration Council (DAC) in accordance with Chancellor's Directive No. 70 (issued October 26, 1995), the PMO presented the SEP process while waiting for the response from the TPPC. Subsequently, on July 10, 2015, the recommendations from the TPPC were received which allowed the PMO to meet with each College Vice President of Administration individually receiving the priorities for the IT projects at their respective colleges. We completed these meetings on July 24, 2015. Based on these meetings we developed a priority list taking into account the input from the TPPC, DTC, and the DAC. This list is circulating for final approval by the Vice Presidents of Administration.

The PMO intends to complete the final SEP and present it to the Facilities Master Planning & Oversight Committee during their September meeting.

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As a follow-up to the presentation before the Facilities Master Planning and Oversight Committee (FMPOC) on Wednesday of this week, I am providing you with information on the governance structure in place for the vetting of district wide Information Technology (IT) projects.

Please note that these projects have been initiated through the front-line users, the College IT Managers as well as IT staff of the Educational Services Center. I have provided the list of the members of the District Technology Council (DTC). I recognize that as you have begun to review and validate new projects, you have met with the IT staff on a college by college basis. However, it is discussions within the DTC that will ensure broad based consideration of project requirements. The DTC has served as the vehicle for reaching consensus on projects.

Once projects have been discussed within the DTC for technical requirements, projects under such consideration will be discussed and at times voted on by the Technology Planning and Policy Committee (TPPC). I have attached a copy of the charter and the membership composition of the TPPC. I have also attached the LACCD Technology Strategic Plan and the LACCD Technology Implementation Plan for your information as you continue discussions regarding new district wide IT initiatives.

In his role as Chief Information Officer, Jorge Mata has routinely placed Measure J IT projects on the agenda of both the DTC and TPPC. I will defer to you as to who from your office will assume this responsibility. Please note that both of these governance committees meet on a monthly basis.

Mr. Mata and I will assist you in navigating the internal maze of governance structures to ensure that there is full buy-in as we look to completion of Measure J funded district wide IT projects.