

**MEETING OF THE BUSINESS AFFAIRS COMMITTEE
OF THE BOARD OF TRUSTEES
Community College of Philadelphia
Wednesday, June 20, 2012 – 9:00 A.M.**

TO: Business Affairs Committee of the Board of Trustees
FROM: Thomas R. Hawk
DATE: June 14, 2012
SUBJECT: **Committee Meeting**

AGENDA PUBLIC SESSION

A meeting of the Business Affairs Committee of the Board of Trustees will be held on **Wednesday, June 20, 2012 at 9:00 A.M.** in the College's **Isadore A. Shrager Board Room, M2-1.**

(1) Learning Management System (Action Item):

One of the priority initiatives contained in the 2012-13 budget plan is the implementation of a new Learning Management System (LMS). The College's LMS is required to offer distance and hybrid instruction, and is also an important resource for managing the instructional process in more traditionally-taught courses. The College's current LMS, WebStudy, was acquired in 1998. This LMS does not contain the functionality nor have the ease of use that is found in the best LMS tools now available.

A comprehensive RFP process which involved a review team composed of distance education faculty and administrative staff from the Academic Affairs, Information Technology and Finance areas was used to identify the recommended LMS, Canvas. Attachment A provides a summary of the review process and an explanation for why Canvas was selected as the recommended LMS. Susan Hauck, Dean of the Flexible Learning Options and Academic Technology, and Jody Bauer, Chief Information Officer, will present the background information supporting the recommendation to the Committee.

Staff request that the Committee recommend entering into a five year contract for the acquisition and implementation of the Canvas LMS with a total 2012-13 cost of \$235,418.

(2) Food Service Contract (Action Item):

The College's contract with the current food service provider, Canteen, expires August 24, 2012. An RFP process was used to develop proposals for a five-year

contract to operate the College's food service operations at all four locations effective August 25, 2012. The College's food services include: manual operations, catering and vending.

Despite a comprehensive effort to solicit proposals from a broad range of firms, only two formal proposals were received: Canteen and American Food and Vending (AFV). After a full review of both firms' proposals from both a financial and quality of service perspective, it was determined that AFV was the better option for the College. Attachment B provides a description of the selection process and background information which supports staff recommendation to award the contract to AFV.

Staff request that the Committee recommend to the full Board that the College enter into a five year contact with American Food and Vending for the management of the College's food service operations effective August 25, 2012.

(3) GASB 45 (Information Item):

Staff will provide an update on the biennial GASB 45 calculation process. The GASB 45 accounting standard requires that this accrued liability for post-retirement healthcare benefits undergo an actuarial reassessment every two years. For the past two fiscal years, the value of this accrual was approximately \$6.0 million. The actuarial estimate for the 2012 fiscal year has been increased to \$7.6 million. Several factors contributed to the increase in the estimate for this future expense: updated mortality tables which increased the life expectancy assumption; recent increases in healthcare costs that were greater than previously assumed by the actuaries; and an aging staff increasing the probability of post-retirement benefit expenses for the employee cohort. Staff will review the underlying assumptions that support the calculation and discuss future changes to benefits and employment patterns that may reduce the projected cost in subsequent biennial calculations.

(4) Accounts Receivable Write Off – Project Grad Summer Institute Project #234125 - \$16,398.85 (Action Item):

In summer 2008, the College was asked to offer a month-long summer program for 40 Philadelphia high school students. The sponsoring organization was Project Grad Philadelphia, a non-profit organization led by former Board Member, Thomas Butler. Based upon a formal letter of agreement and assurances of pending federal funding, the College offered the program and incurred costs totaling \$16,398.55. Delays in federal funding resulted in a formal communication from Mr. Butler that the untimely receipt of federal funding made the program ineligible for the use of the intended funding and funding from another source would be found. Despite repeated efforts to collect the funds from the Project Grad organization, no reimbursement was made to the College. Efforts will continue to collect the amount due to the College.

The value of the \$16,398.85 receivable was eliminated as a College asset during the 2010-11 fiscal year closing process. However, a formal write-off of the receivable was not authorized by the Board. Board policy requires that receivables with a value of \$10,000 or greater be approved by the Board before being written off. Staff request that Committee recommend approval of this write off.

(5) Revision to 403b Retirement Plan Document (Action Item):

The College's current retirement plan does not permit any current full-time employee to take withdrawals from their plan resources. This is true for employees of any age. With Board authorization, the Plan Document can be revised to permit employees to begin distributions from their accumulated plan resources at age 70.5 whether or not they have a continuing employment relationship with the College.

Staff are requesting that this 403b Plan Document revision be recommended to the full Board. Ms. Weitz will attend the meeting to discuss the reasons for the proposed change.

(6) Construction Projects Update (Information Item):

Mr. Bixby will summarize progress to date on current construction projects.

(7) Possible Meeting Dates for the 2012-13 Year (Information Item):

In order to facilitate Board calendar planning, Committees are asked to establish a meeting calendar for the year. Consistent with the new Board of Trustees schedule effective July 1, 2012, proposed meeting dates for 2012-13 are as follows:

No meetings in July and August

Wednesday, September 19, 2012 – 9:00 A.M.

Wednesday, October, 24, 2012 – 9:00 A.M.

Wednesday, November 28, 2012 – 9:00 A.M.

No meeting in December 19, 2012

Wednesday, January 23, 2013 – 9:00 A.M.

Wednesday, February 20, 2013 – 9:00 A.M.

No meeting in March

Wednesday, April 17, 2013 – 9:00 A.M.

Wednesday, May 22, 2013 – 9:00 A.M.

Wednesday, June 19, 2013 - 9:00 A.M.

Committee members are asked to review their personal calendars to determine if potential meeting dates are feasible.

(8) Next Meeting Date

The next regularly scheduled meeting of the Committee will occur on Wednesday, September 19, 2012 at 9:00 A.M.

TRH/lm

Attachments

c: Ms. Varsovia Fernandez
Dr. Stephen M. Curtis
Mr. Gary Bixby
Ms. Jody Bauer
Ms. Susan Hauck *via* teleconference
Mr. Todd Murphy
Mr. James P. Spiewak
Jill Garfinkle Weitz, Esq.

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ATTACHMENT A

LEARNING MANAGEMENT SYSTEM (LMS) RECOMMENDATION

Learning Management System Recommendation (LMS)

Submitted to the Business Affairs Committee, June 20, 2012

The FLOAT Division and the Office of Distance Education are pleased to submit this recommendation for adoption of the Instructure Canvas learning management system. <http://www.instructure.com/>

Why Change?

An LMS is defined as a web-based technology used to plan, implement, and assess the learning process. The Learning Management System (LMS) has strategic importance to the college as the primary platform for our Distance Education program, and as the future enterprise-wide application for teaching and learning.

Since the inception of online learning in 1998, CCP has used the WebStudy LMS. From very modest beginnings of a handful of online courses supported on a part-time basis by one faculty member, Distance Education at CCP now encompasses some 220 course sections each semester, taught by over 120 faculty members, totaling over 15,000 annual registrations, and supported by two full-time administrators. Online learning at CCP has become a central component of our activities, and will be integral into every aspect of the learning enterprise.

As a result of the dramatic changes in online learning in the last 14 years, we now find ourselves lagging behind other community colleges. Most colleges provide a single online platform for all varieties of online learning, whether face to face, hybrid, or online. CCP should aspire to this ubiquitous usage of the LMS. In addition, while Distance Education is one area where we are still experiencing enrollment growth, faculty at CCP have been cautious adopters. As noted in the National Community College Benchmark Project (http://www.ccp.edu/vpfin-pl/ir/ir_reports/ir_report_221.pdf) compared to other Pennsylvania community colleges, we offer fewer distance learning classes than most of our peers. While technology is not the only factor, the perception of WebStudy as difficult to master is certainly a contributing factor. With our contract for WebStudy ending on June 30, and in conjunction with the desire to provide a single enterprise-wide system, we took the opportunity to review the LMS marketplace. Our goal was to select the best available platform to enable our faculty to broadly adopt online learning technologies.

LMS Review Results and Recommendations

The LMS Action team that produced this recommendation based its unanimous decision on the data collected between January – May 2012, from demonstrations, vendor responses to a detailed RFP, online surveys, interviews with peer institutions, and user testing. Specifically, the review process consisted of:

- On-campus presentations by LMS vendors during the January 2012 Professional Development Week, open to the entire College community
- Distribution of a Faculty Survey to all CCP faculty on LMS usage and essential features

- Development and issuance of a Request for Proposal (RFP) to eight LMS vendors
- Evaluation of the completed RFP documents by a Review Team of 13 volunteers from CCP faculty, ITS, Purchasing, Distance Education, and FLOAT, using an evaluation instrument and follow-up questionnaire
- Detailed on-campus presentations to the Action Team by the finalist vendors
- Hands-on testing of the finalist LMSs
- Consultations with online learning professionals at peer institutions that had recently performed a similar LMS evaluation, including Buck County Community College, Camden County College (NJ), Delaware County Community College, and Howard County College (MD)

This recommendation to adopt the Canvas LMS represents the results of the review process by unanimous agreement of the Action Team members.

Ease of Use

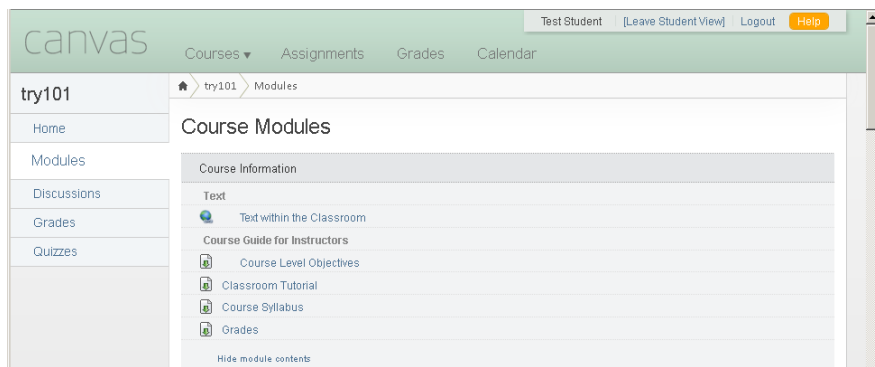
Canvas represents a new breed of LMS, with a simple, elegant interface that is easy for both faculty and students to intuitively use, including a welcoming “dashboard” that immediately alerts you to all recent activity. Arguably the most important aspect of any technology isn’t how many features it has, but how easy it is to use. It’s clear that one of the core principles of Canvas is user experience, which you can see immediately in its clean, uncluttered interface. Extra items don’t get in the way and important things are readily available. All the Canvas tools are fully ADA compliant, and they have received a Gold certification from National Federation of the Blind, the highest award given. With the help of ITS, we hope to integrate it into our portal, so there will be the same username and password on both systems. There is also integration with publisher websites.

Communication, Collaboration

Canvas is built around communication and collaboration. Communication happens with simple, Facebook-like private messaging and public discussion threads, course notifications that a student can opt to receive by Facebook, Twitter, or text message, and integration with TinyChat and BigBlue Button. Canvas has video/audio capability so the instructor can post any type of media into all content areas including Announcements, Discussion Boards, Assignments, Grades. Students have access to a free mobile app for iOS, and because Canvas is HTML5 compliant, it works well on all mobile browsers.

Focus on Learning

When user experience and communication are made easier, more time and attention can be devoted to actual teaching and learning. This isn’t a minor point. Most LMS’s are so cumbersome and confusing that the majority of training is spent explaining how to accomplish basic tasks. Beyond that, Canvas puts the focus on learning in a few key ways.



Rubrics lay out the objectives for an assignment and criteria for grading, and can be tied to outcomes. The Speedgrader and rubric functions provide a wonderful connection to the teaching/learning process; instructors can efficiently complete grading, while students can be engaged in the process (through video/audio/text comments back to their instructors) and playing “what-if” scenarios to determine how to achieve

their ideal grades. The learning outcomes tool will potentially transform the way CCP approaches outcomes assessment. It simplifies the process of tracking students and their progress on individual course and program outcomes. Outcomes can be established by any administrative level (i.e., college wide, division or program level, course level, section level, and attached to individual assessment items).

Costs

One time Implementation fee: Includes SIS Integration, SSO, branding, training	\$12,000
First year of a 5 year contract: (average over 5 years: \$205,794, which includes a 5% escalation rate)	\$186,218
Premium Support: Includes 8 hour response time, dedicated account manager, 24/7 phone support for admin	\$37,200
Total	\$235,418

Conclusion

With its intuitive, innovative interface, pedagogically driven applications, instructional resources, mobile technology, and user engagement, Canvas is the best choice for CCP’s new learning management system. As the college seeks to improve in academic excellence and student success, Canvas is the LMS that will best support our efforts.

ATTACHMENT B

RECOMMENDATION FOR FOOD SERVICE CONTRACT

Recommendation for Food Service & Vending Provider

Process

- Committee formed – An eleven member committee consisting of staff from Academic Affairs, Student Affairs, Institutional Advancement, Auxiliary Services, Professional Development, Community & Special Events, Facilities, Finance and Purchasing was created.
- RFP – Purchasing and Auxiliary Services developed the prior food service RFP and presented it to the Committee for review. The RFP requests proposals for a five year contract effective August 25, 2012. Committee members recommended edits, changes and additions. On March 5, 2012, the RFP was sent to twenty-three vendors.
- Pre-bid meeting – A mandatory pre-bid meeting was held on March 16, 2012 in the Pavilion Building. Following the meeting, tours were conducted of the Colonial Café and the cafés at the Northwest and Northeast Regional Centers. Six vendors attended the pre-bid meeting and tours.
- Addendum to RFP – Purchasing issued an addendum to the RFP to answer vendor questions. Additional data related to the food service and vending operations was also provided to the vendors.
- Union Issues – The College provided vendors with the appropriate contact for the food workers union.
- References and Site Visits – Staff contacted five current clients of American Food and Vending and visited Onondaga Community College. Staff contacted two current clients of Canteen and visited Delaware County Community College.
- Interviews with finalist – On May 14, 2012, members of the committee interviewed the vendors that submitted proposals – Canteen (incumbent) and American Food & Vending.
- Rating sheets – Members of the committee submitted rating sheets based upon certain criteria including: Food program/menus/concepts; Staffing; Pricing/Portions; Management; Training practices; Sanitation & Safety; Financial return; Catering program.

Responding Vendors

- Canteen – Canteen is the current provider of food services and vending at the College. Canteen was awarded a three year contract in August of 2008 and was granted a one-year extension in August of 2011. Their contract expires as of August 24, 2012. Canteen is a subsidiary of Compass Group, one of the largest food service and vending companies in the world with annual revenues approaching \$11 billion.
- American Food & Vending – AFV is an independently owned business headquartered in Syracuse, NY and has been in business for twenty-two years. AFV services accounts in sixteen states generating approximately \$100 million in sales from dining, catering, vending and office coffee services.

Vendor Comparison

- Commission to College

Canteen proposed a commission structure very similar to the expiring contract and offered a guarantee of \$16,000 for dining and \$40,000 for vending. Canteen also offered a \$50,000 upfront signing bonus. This structure equates to a commission of \$66,000 on an annualized basis. Additionally, a commission rate of 15% would be paid on vending sales in excess of \$300,000. Current vending sales are approximately \$368,000; the additional vending commissions would therefore approximate \$10,000. Total annual commissions would approximate \$76,000. Canteen also offered a pool of funds totaling \$5,000 per year for Culinary Arts Program student workers. Canteen declined to bid on the Bonnell Coffee Express venue.

AFV proposed an annual commission guarantee of \$100,000 for years one and two of the contract to be paid upfront at the start of each fall semester. For years three through five of the contract, AFV

will pay a commission rate of 8.5% on all net sales in excess of \$2 million. Current year net sales are projected to be \$1.87 million.

- Capital Investments

Canteen did not propose making capital investments at any location.

AFV proposed the following capital investments:

- ✓ NWRC - \$35,000 to upgrade the service counter with new equipment and millwork.
- ✓ NERC - \$10,000 to upgrade the marketing and merchandising package.
- ✓ Pavilion - \$25,000 to upgrade the marketing and merchandising package in both year one and year two of the contract.
- ✓ Vending – will install Colonial Card readers on a negotiated number of vending machines.

- Revenue Projections

Both Canteen and AFV presented revenue projections that are realistic when compared to the projected revenues for the current year. The revenue projections for the dining services locations were very similar with Canteen projecting sales of \$1.147 million and AFV projecting sales of \$1.148 million. Current year sales are projected to be \$1.097 million.

Canteen projected lower vending sales than AFV - \$350,000 versus \$392,000. Current year sales are projected to be \$368,000.

Canteen also projected lower catering sales than AFV - \$286,000 versus \$440,000. Catering sales fluctuate from year to year and during the past four years have ranged from a low of \$292,000 to a high of \$483,000.

- Staffing

Both Canteen and AFV presented staffing levels that match the requirements of the College. Both proposals include staffing the Pavilion with a general manager, a lead chef, and an assistant manager/catering supervisor. AFV proposed slightly more staffing hours than Canteen but at a lower hourly wage.

- Management

Canteen's local management team has shown an earnest desire to meet the College's expectations; however, the regional and corporate offices have offered minimal support to assist them in achieving their goals. Likewise after a significant reorganization in Canteen's upper management, the regional and corporate offices have retracted their enthusiasm for the CCP account. The reluctance of the regional and corporate offices to acknowledge and respond to areas of concern for the College has been disappointing.

AFV defined the involvement of their corporate level managers through their proposal, presentation, and follow-up. The corporate management team reacted promptly and positively during all stages of the bid process. They encouraged and initiated a tour of their Onandaga Community College facility and their corporate offices in Syracuse, NY. From all indications, the corporate team selectively appoints site managers and continues to be available to the client for decisions outside of the local manager's authority

- Marketing & Promotions

Canteen's proposal stated that they will continue to promote the café internally in a variety of ways and offer value meals and specials and conduct a "welcome back" event the second week of each Fall and Spring semester. Canteen established a budget of \$500 per quarter for prizes, decorations and give-a-ways.

During the interview process, AFV introduced their Director of Marketing who presented creative ideas that would apply to the College's venues. The AFV proposal included a variety of ideas featuring customer value options, frequent buyer incentives, monthly culinary promotions, seasonal promotions and fun competitions. AFV also detailed the visual merchandising they will use at the College which includes nutritional values. A full range of marketing options was in place at the Onondaga Community College facility at the time of the staff's visit.

- Website

Canteen did not create a dining services website as was expected during their initial contract period. The College developed its own website and relies upon Canteen to provide updated information including hours of operation, menu pricing and weekly menu specials.

AFV has reviewed the information that is currently provided on our website and has stated that both their corporate office and local management team will be capable of remotely updating information including menus and promotions. In addition, AFV has created a web process for catering orders which is currently implemented by their other college clients. AFV is capable and willing to build our cost center approval process into their web process.

- Dining Services

Canteen increased the sales at both the Main Campus and the Northeast Regional Center once the new cafés were established. Despite larger facilities and more customers, understaffing at both locations has been an issue and has negatively affected operations. Staff receives minimal complaints concerning pricing and portions with the exception of the "International Station" where entrees are priced by the pound. There is a general consensus that sales could be increased if more marketing and promotions were done.

AFV expressed that they recognize the opportunity to increase sales through strategic planning in areas such as scheduling, menu selection and staffing. Although they generally work with and encourage services with a meal plan option, they indicate that they are comfortable with the College's pay-as-you-dine arrangement. AFV explained that they experiment with and exhaust all options in order to determine what will work best for each client and for AFV's profit goals

- Vending

Canteen has provided excellent service in the vending arena. Sales have consistently grown since they acquired the account and they have replaced many older machines over the years with newer, custom designed state-of-the art units. They promptly repair equipment as needed and keep the units well stocked with merchandise.

AFV promises to offer the same number of machines and varieties of product as are currently available. They are open to the College's recommendations on location and types of machines. They propose a vending product delivery schedule that would eliminate the need for excess product storage. Prepackaged perishable products such as yogurt cups would be extracted from the dining services inventory and fresh vending selections such as salads and sandwiches would be prepared as needed in the café kitchens. AFV utilizes the College's CBORD card readers at other vending locations and state that they are committed to installing the readers as agreed upon at our location.

- Catering

Canteen has received mixed grades concerning their catering operations. Customers are generally pleased but do express a desire for more creativity with the catering options. Although infrequent, complaints related to presentation, food quality or order errors have

been reported. Canteen receives and is generally able to respond to late orders and last minute revisions. Canteen created a special low-cost catering menu for student activities' clubs and organizations.

AFV presented catering menus that offer greater variety and has indicated that they would create a custom catering menu for our location with price points and menus that parallel our customer requests. They have no limits on the size of the order and no delivery charges. They have experience catering large functions and currently provide catering services to municipal functions held in the SRC Arena and Events Center on the Onondaga Community College campus.

- References

Staff spoke with six different colleges that use AFV. One college only used AFV for vending. Of the other five colleges, two were new clients of AFV. All of the references have had positive experiences with AFV and at least three of them had switched from a large national firm. They made the switch because they thought AFV would be more flexible and responsive to the needs of their college and provide more marketing and promotion.

Two other local community colleges that are clients of Canteen were contacted. Both colleges have had Canteen as their operator over the same time period as the College. One recently re-bid the contract and only received two proposals. They awarded the contract to Canteen since they offered the best financial agreement and note that service is improving. The other college reported that, although they are not dissatisfied with Canteen, they feel that Canteen could increase sales if there was more corporate support and marketing initiatives.

Financial Information

	2012-13 Projections		2011-12 Actual
	<u>AFV</u>	<u>Canteen</u>	<u>(Canteen)</u>
Colonial Café Sales	\$807,590	\$791,100	\$740,000
NERC Sales	\$233,593	\$240,000	\$250,000
NWRC Sales	<u>\$106,883</u>	<u>\$116,000</u>	<u>\$107,000</u>
Subtotal	\$1,148,066	\$1,147,100	\$1,097,000
Catering Sales	\$440,000	\$286,310	\$404,000
Vending Sales	<u>\$392,000</u>	<u>\$350,000</u>	<u>\$360,000</u>
Total without Coffee Express	\$1,980,066	\$1,783,410	\$1,861,000
Coffee Express Sales	\$140,000	no bid	N/A
Projected Café Customer Visits	423,850	410,000	
Average Sale per Visit	\$3.04	\$2.80	
Labor Costs - Manual	\$647,692	\$649,432	
Labor Costs - Vending	\$96,126	\$87,500	
Guaranteed Return to CCP	\$100,000	\$66,000	
Additional Return		\$12,900	Based upon Vending sales of \$368,000. Based on 5% commissions for sales of \$150,000.
Potential Coffee Express Commissions		\$7,500	
TOTAL	\$100,000	\$86,400	
Capital Investment	\$95,000	\$0	

Recommendation

College staff recommends that a five year contract be awarded to American Food & Vending effective August 25, 2012.