

**MEETING OF THE BUSINESS AFFAIRS COMMITTEE
OF THE BOARD OF TRUSTEES
Community College of Philadelphia
Wednesday, February 22, 2012 – 11:45 A.M.**

Present: Mr. Jeremiah White, Jr. (Chair), presiding; Mr. Matthew Bergheiser (Vice Chair), Ms. Varsovia Fernandez, Mr. Gil Wetzal, Dr. Stephen M. Curtis, Ms. Jody Bauer, Mr. Gary Bixby, Dr. Thomas R. Hawk, and Mr. James P. Spiewak

AGENDA – PUBLIC SESSION

(1) 2011-12 Fiscal Year Budget Status Report (Information Item):

Dr. Hawk and Mr. Spiewak provided an overview of the College's budget status for fiscal year 2011-12. Attachment A contains the handout provided to the Committee at the meeting. The College began the fiscal year with a projected use of carry-over funds equal to \$2.40 million. A combination of changes in enrollment projections and expense reductions has reduced the projected use of carry-over funds to a slightly lower level of \$2.35 million.

Enrollments to date for the fiscal year are slightly below the budgeted level. Summer II enrollments were higher than budgeted, but fall and spring enrollments were lower. Overall, credit FTEs are currently projected to be 130 FTEs or 1.7 percent lower than budgeted.

Tuition revenues are down by \$789,372 as a result of the fall and spring enrollments being slightly below budget. In addition, the net revenue contribution from contracted Business and Industry programs and other non-credit programs is projected to be \$257,000 less than budgeted based upon revenue generated the first half of the year.

There is currently no change expected in 2011-12 State operating funding. Dr. Curtis noted that unlike the other publically-funded Pennsylvania higher education institutions, the community colleges did not receive a mid-year funding reduction. City operating revenues will be \$290,557 higher than budgeted based upon a staff decision to reduce capital expenditures for the year, and the fact that only one lease payment will be made in fiscal 2012 for the West Regional Center expansion.

Offsetting the impact of the decline in revenues, are a range of actions which have reduced projected expenditures for the year. Several vacant administrative and classified/confidential positions were frozen at mid-year to increase the amount of lapsed salary dollars. Where possible, the use of part-time staff and overtime has been reduced. Overall, planned salary expenditures have been reduced by \$320,000.

Fringe benefit expenses are lower due in part to lower-than-budgeted medical payments in the self-insured medical program and greater-than-budgeted rebates in the

pharmacy drug program. Overall, the fringe benefit budget is currently projected to be \$464,755 less than budgeted.

Utility costs are projected to be \$160,000 less than budgeted. This reflects both favorable temperature conditions and the major institutional impact that the wide range of green energy-saving infrastructure changes implemented by the College over the past five years have had on institutional utility budgets. Mr. Spiewak observed that the College was spending less on electricity than it did four years ago in spite of the significant expansion of space and increased use of technology.

Insurance costs are higher than budgeted as a result of larger-than-anticipated deductible payments associated with prior years' claims. These stem from several slip and fall events. In response to a question, staff responded that the budget for legal expenses was believed to be adequate to cover the costs associated with negotiations. Overall, expenses are currently projected to be \$994,055 less than originally budgeted for the year.

Mr. White asked if further improvements in the budget status could be anticipated. Dr. Hawk responded that completely eliminating the shortfall was not possible. The budget was developed with virtually no flexibility and the possibility for significant year-end savings is limited. A critical concern is the impact that a potential work stoppage would have on summer enrollments. Summer is an important opportunity to generate additional net revenues for the College. Lower summer enrollments could result in the need to increase the use of carry-over funds.

(2) Insurance Broker RFP (Action Item):

Discussion: The College's contract with the current insurance broker, Willis of PA, expires June 30, 2012. Willis has served as the College's insurance broker since July 1, 2007. An RFP process was used to solicit proposals for the College's insurance broker services for a three-year period of time, with two option years commencing July 1, 2012.

The following services are expected to be provided by the insurance broker:

- Marketing of the College's insurance program to include analysis of all risk financing alternatives.
- Preparation of insurance coverage specifications and assistance with preparing underwriter applications.
- Assistance in establishing insurable values.
- Issuance of Certificates of Insurance and Automobile ID cards as required. Obtaining motor vehicle reports on drivers as required.
- Periodic reports and meetings including an annual stewardship report.
- Loss control and engineering services as required.

- Participation in monthly Safety Committee meetings.
- Ensuring that all underwriters provide loss runs, as appropriate. Providing summarization of loss runs by category and dollar level.
- Assistance in the performance of risk identification, consideration of risk financing alternatives and the analysis of loss data.
- Assisting with any insurance company audits, retrospective ratings or other premium adjustment calculations.
- Assistance in reviewing and updating an internal Risk Management Manual and an annual Risk Management Program.
- Assistance in reviewing contracts for unwanted assumption of risk.
- Claims assistance.

The College's broker contract is structured to be on a fee basis with no brokerage commissions paid to the broker at the time the College's insurance is procured. This prevents a potential conflict of interest during the insurance purchase process.

Mr. Spiewak explained that proposals were solicited from seven firms including two minority-owned firms. There were four responses to the RFP. Firms providing responses were: Willis of PA, Arthur J. Gallagher Risk Management Services, Inc., PK Financial Group, and Aon.

The proposed fees for services by the four firms were as follows:

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>Three Year Total</u>
Willis of PA	\$50,000	\$50,000	\$50,000	\$150,000
Arthur J. Gallagher	\$58,000	\$59,740	\$61,532	\$179,272
PK Financial Group	\$65,000	\$65,000	\$65,000	\$195,000
Aon	\$56,500	\$56,500	\$56,500	\$169,500

Attachment B provides an analysis of the firms' proposals and the justification for staff's recommendation to award the contract to Willis.

Mr. White commented on the continuing difficulty that the College has had in identifying minority-owned firms to provide professional services to the College. Mr. Spiewak explained that PK Financial was a minority-owned firm. However, their small size (less than ten professional employees), lack of significant experience working with higher education, and higher proposed fees led staff to conclude that contracting with them to provide broker service would not be in the College's best interest.

Action: Mr. Wetzel moved and Mr. Bergheiser seconded the motion that the Committee recommend to the full Board that the College be authorized to enter into a three year contract with Willis of PA, commencing July 1, 2012 with an annual fee of \$50,000 in each of the three contract years. The motion passed unanimously.

(3) Lease of Indigo Press (Action Item):

Discussion: The College has been leasing a Kodak NexPress 2100 digital press since March of 2007. This equipment has allowed Business Services to produce high quality, four-color, commercial grade marketing materials (posters, brochures, program descriptions, informational pamphlets). Prior to the acquisition of the NexPress, a large amount of this work was outsourced to commercial offset print houses. Significant budget savings has occurred by bringing this work in-house.

During the past few months, staff from Business Services along with the College's Director of Communications, undertook a comprehensive review of potential replacement equipment. The requirements for the replacement equipment include the following:

- the ability to do variable data printing
- produce 3 million copies per year (250,000 per month)
- print at a minimum speed of seventy (70) pages per minute
- accept paper up to 12 inches by 18 inches
- ability to print 80# and 100# cover stock
- be able to accept various layouts as designed by the College's Office of Communications
- ease of use for Business Services staff
- ability to print institutional marketing colors

Two models each of equipment manufactured by Hewlett Packard, Xerox and Kodak were investigated. In addition to the requirements listed above, the equipment was evaluated based upon copy quality, color production capabilities, reliability, cost of operation, and cost of equipment.

The Xerox equipment was eliminated from consideration because these units are four-color presses that lack red toner stations or spot color stations, and thus cannot produce the College's marketing colors as required by the Office of Communications. Staff members were also concerned about the durability of the Xerox equipment in the context of the heavy paper stock often used by the College. In addition, the Xerox equipment is more expensive than the recommended equipment. The Kodak units reviewed met all of the requirements noted above. However, the costs of the Kodak units were significantly higher than the cost of the unit being replaced. Mr. Spiewak noted that staff are also concerned about the financial condition of the Kodak Company and how that might impact future maintenance and supply replenishment.

The HP Indigo 5500 is the replacement unit recommended by staff. As with the Kodak units, the HP units met all of the requirements. In comparison to the Kodak

units, the HP Indigo 5500 has a purchase price less than the Kodak units and has significantly lower maintenance costs and consumable costs. The HP unit uses liquid ink which more closely matches the look and feel of an offset printed image. The equipment also increases the color options from five to seven allowing for the matching of more individual colors. The copy quality of the HP Indigo 5500 units was deemed to be outstanding and the best of all the units reviewed. Based upon its price and quality, HP has captured 51 percent of the world market for this type of digital press. The following table provides a comparison of both purchase price and operating costs of the current Kodak NexPress unit and the recommended HP Indigo 5500 unit. The HP Indigo press will save the College \$75,516 per year over the cost of using the current equipment.

	Monthly	Annual	5 year Totals
Current Expenses			
NexPress			
Lease	\$6,600	\$79,200	\$396,000
Service	\$3,950	\$47,400	\$237,000
Consumables	\$8,600	\$103,200	\$516,000
Totals for NexPress	\$19,150	\$229,800	\$1,149,000
Proposed Expenses			
Indigo 5500			
Lease	\$6,157	\$73,884	\$369,420
Service	\$1,700	\$20,400	\$102,000
Consumables	\$5,000	\$60,000	\$300,000
Totals for Indigo 5500	\$12,857	\$154,284	\$771,420
Savings	\$6,293	\$75,516	\$377,580

Mr. Spiewak explained that assuming competitive lease rates, the College will lease directly from HP. This will allow the College to terminate the lease prior to lease expiration if the College enters into an acquisition agreement for another HP digital press. This potentially permits the College to upgrade to another unit should technology changes make this desirable.

Action: Mr. Bergheiser moved and Mr. Wetzel seconded the motion that the Committee recommend to the full Board that staff enter into a five year lease for an HP Indigo 5500 digital color press effective July 1, 2012. The motion passed unanimously.

(4) Update on Construction Projects (Information Item):

Mr. Bixby provided a short summary of the continuing progress being made on the Bonnell and Mint Building projects. The Mint Ground floor construction is essentially

complete except for the Security Office suite. Once final finishing details and lock issues are addressed, Enrollment Services staff will begin moving into the space over the next few weeks.

The northern end of the Bonnell renovation is scheduled for completion as of mid-April, and the remainder of the Bonnell project is scheduled to be completed by September.

(5) Future Directions in CCP Technology (Information Item):

Mr. White introduced this item by noting that at the January 2012 Committee meeting, the Committee approved a large expenditure on the College's technology infrastructure upgrade. As part of the January Committee discussion, a series of questions were asked about how the planned investment fit into future directions for technology at the College. Ms. Bauer was asked to come to the February meeting to provide an overview of the College's long-term vision for technology which would help the Board to better understand the nature of the future investments that would be required. In response to this request, Ms. Bauer presented an overview of future directions for the College in the use of technology in support of teaching and learning. A copy of her presentation is provided in Attachment C.

The presentation focused both on the long-term vision for the use of technology at the College, as well as the steps being taken at the present time to advance the achievement of that vision. In commenting on the technology vision, Ms. Bauer emphasized that the College's approach to the delivery of technology is rooted in the mission of the institution and the diversity of the students that come to the institution. Because the students arrive with widely varying technology skill sets and differing amounts of access to technology, the College has to provide technology options for students that start where they are both with respect to skills and technology access. Technology planning at the College is fully integrated with the College's other planning efforts including academic, enrollment management, facilities, and the over-arching Strategic Master Plan. The College's vision for technology is intended both to respond to and inform planning in other areas of the College.

Ms. Bauer explained that the College's evolving use of technology is totally integrated with the development of the College's physical facilities. College facility planning recognizes the need to have a technology infrastructure in place within its facilities that supports current and future uses of technology, and also responds to the fact that the use of technology is transforming the nature of classrooms and laboratories that will be built in the future. Ms. Bauer discussed the importance that technology plays in communications both within the instructional setting and outside the classroom. Effective use of technology is essential to successful communication with external constituents. External expectations are that the College will become increasingly more sophisticated in its use of technology as a communication tool.

To emphasize the diversity of student needs with respect to access and effective use of technology, Ms. Bauer distributed information which showed the median family

income and Pell grant status of CCP students compared to other peer institutions including Community College of Allegheny County, Harrisburg Area Community College, and Montgomery County Community College. The lower economic status of the students clearly emphasizes the importance of ensuring that there is access to technology on campus for those individuals who will not have the needed personal resources to acquire access to essential new technologies.

Ms. Bauer discussed several key challenges associated with achieving the College's technology vision. These challenges include addressing the wide variances in computer skills that exist among faculty and staff; and the generational gap which exists between those under the age of 25 who have had life-time exposure to technology and older individuals who have had to migrate to technology as it became available. A key challenge is enabling universal access to technology throughout the campus through the expanding wireless environment. The rapid shift to the use of hand-held devices for accessing technology makes this essential. Professional development for faculty and staff is essential to closing the technology gaps that exist among employees, and between employees and students. Changing technologies require evolving and expanding resources for the support and management of technology resources. Over time, some major e-learning trends will greatly reshape the College's technology resources. Students are expressing a stronger preference for digital textbooks and e-readers as opposed to hard-copy materials. Distance education is becoming increasingly an expectation for larger percentages of students, and virtually all faculty members are adopting technology-based learning-management approaches in their classes. Students are expecting, and increasingly using, a personalized on-line learning environment. Technology use is moving from PC-based technologies to portable, mobile technology devices. Over time, this will transform the nature of physical spaces that the College will have to provide its students and staff.

Ms. Bauer reviewed a range of current high-priority projects associated with technology that are underway to strengthen the College's achievement of its technology vision. (See Attachment C.)

The Committee discussed the importance of understanding the longer-term vision for technology at the College as a basis for reacting to and approving recommendations for technology investments being made by staff. Mr. White observed that the infrastructure investment, approved by the Board at the February meeting, was clearly essential to moving forward on the achievement of the College's longer-term vision for technology. The Committee recommended that Ms. Bauer give updating reports on directions being taken in technology on a regular basis to the Business Affairs Committee.

(6) Next Meeting Date

The next meeting of the Committee is scheduled for Wednesday, March 21, 2012
at 9:00 A.M.

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Attachments
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ATTACHMENT A

**2011-12 BUDGET STATUS REPORT
As of February 22, 2012**

Community College of Philadelphia
Enrollment Information (FTEs) for Fiscal Year 2011-2012

	Actual FY 10-11	Budgeted FY 11-12	Actual FY 11-12	Actual FY 12 vs Actual FY 11	% Variance	Actual FY 12 vs Budgeted FY 12	% Variance
<u>CREDIT</u>							
Summer 2	1,921	1,921	1,978	56	2.93%	57	2.95%
Fall	13,550	13,550	13,467	(83)	-0.61%	(83)	-0.61%
Spring	13,706	13,710	13,476	(230)	-1.68%	(234)	-1.71%
Summer 1	3,005	3,000					
Credit Year-to-date Totals - Annual FTEs	16,091	16,090		(128)	-1.66%	(130)	-1.69%
<u>NONCREDIT</u>							
Summer 2	99	99	82	(17)	-17.17%	(17)	-17.17%
Fall	858	861	761	(97)	-11.31%	(100)	-11.61%
Spring	776	705	626	(150)	-19.33%	(79)	-11.21%
Summer 1	295	265					
Noncredit Year-to-date Totals - Annual FTEs	1,014	965		(132)	-13.02%	(98)	-10.16%

**Community College of Philadelphia
Operating Budget Projections
as of February 22, 2012**

	<u>Original Budget</u>	<u>Current Projection</u>	<u>Change</u>
<u>REVENUES</u>			
Student Tuition and Fees	\$73,634,082	\$72,497,438	(\$1,136,644)
Commonwealth of Pennsylvania	28,251,906	28,251,906	0
City of Philadelphia	17,796,985	18,087,542	290,557
Other Income	<u>1,938,666</u>	<u>1,838,166</u>	<u>(100,500)</u>
TOTAL REVENUES	\$121,621,639	\$120,675,052	(\$946,587)
<u>EXPENSES</u>			
Salaries, net of Lapsed Funds	\$73,839,803	\$73,519,803	(\$320,000)
Fringe Benefits	30,552,426	30,087,671	(464,755)
Other Expenses	19,492,124	19,282,824	(209,300)
Student Financial Aid	<u>135,000</u>	<u>135,000</u>	<u>0</u>
TOTAL EXPENSES	\$124,019,353	\$123,025,298	(\$994,055)
OPERATING BUDGET STATUS prior to recording the \$5,928,516 GASB 45 post-retirement expense accrual.	<u>(\$2,397,714)</u>	<u>(\$2,350,246)</u>	<u>\$47,468</u>

Community College of Philadelphia
 Operating Budget Projection
 as of February 22, 2012

	Original Budget	Current Projection	Change
OPERATING REVENUES			
State Funding	\$28,036,906	\$28,036,906	\$0
State Lease funding	215,000	215,000	0
Total State Revenues	28,251,906	28,251,906	0
Tuition - Credit Students	59,777,182	58,987,810	(789,372)
Technology Fee	11,197,800	11,091,500	(106,300)
Net Contribution from: Contracted Noncredit Instruction; Other Noncredit Instruction; Adult Community Noncredit Instruction	702,000	445,000	(257,000)
Course Fees	3,417,000	3,406,528	(10,472)
Student Regulatory Fees	886,800	847,000	(39,800)
Tuition Adjustments - Student Receivable Write-offs, Collection Costs, Credit Card Costs & Senior Citizen Discount	(2,346,700)	(2,280,400)	66,300
Total Student Tuition & Fees	73,634,082	72,497,438	(1,136,644)
City Operating Funds	17,796,985	18,087,542	290,557
Investment Income	780,000	780,000	0
Vocational Education Funding	250,500	200,000	(50,500)
Indirect Costs, Administrative Allowances	350,000	300,000	(50,000)
Parking Proceeds & Miscellaneous Income	558,166	558,166	0
Total Other Income	1,938,666	1,838,166	(100,500)
TOTAL OPERATING REVENUES	\$121,621,639	\$120,675,052	(\$946,587)

Projection based upon same level of activity for remainder of year as experienced for Summer and Fall, 2011.

Increase in City funds available for operating purposes due to: only 1 debt service payment during this fiscal year for the fit-out of new space at the West Regional Center and reduction in capital spending.

Community College of Philadelphia
 Operating Budget Projection
 as of February 22, 2012

	<u>Original Budget</u>	<u>Current Projection</u>	<u>Change</u>
OPERATING EXPENSES			
Salaries			
Full-Time Administrative Salaries	15,249,995	15,249,995	
Less: Projected Lapsed Salaries	(800,000)	(900,000)	
Net Full-Time Administrative Salaries	14,449,995	14,349,995	(100,000) Additional savings due to mid-year freeze on hirings.
Full-Time Faculty Salaries	28,927,371	28,927,371	
Less: Projected Lapsed Salaries	(200,000)	(200,000)	
Net Full-Time Faculty Salaries	28,727,371	28,727,371	0
Full-Time Classified Salaries	10,670,207	10,670,207	
Less: Projected Lapsed Salaries	(600,000)	(625,000)	
Net Full-Time Classified Salaries	10,070,207	10,045,207	(25,000)
Subtotal - Full-Time Salaries	53,247,573	53,122,573	(125,000)
Part-Time & Overload Credit Salaries	11,086,985	10,886,985	(200,000)
Summer Credit Instruction	4,254,934	4,394,934	140,000
Part-Time & Overload Non-Credit Salaries	395,859	310,859	(85,000)
All Other Salaries	4,404,452	4,354,452	(50,000)
Early Retirement Incentive Payments	450,000	450,000	0 This budget line could be impacted as a result of negotiations. A one-time special retirement incentive may entice more employees to retire.
Subtotal - Other than Full-Time Salaries	20,592,230	20,397,230	(195,000)
Total Salaries	73,839,803	73,519,803	(320,000)
Fringe Benefits			
Medical Program	19,871,042	19,185,042	(686,000) Projected costs are lower due to claims experience and higher than budgeted rebates from the pharmacy drug program.
Retirement	5,537,075	5,675,000	137,925
FICA	2,844,433	2,988,000	143,567
Tuition Remission	635,166	633,218	(1,948)
Group Life	372,000	357,408	(14,592)
Unemployment Compensation	377,654	330,000	(47,654)
Workers' Compensation	320,468	367,811	47,343
Unused Vacation	225,138	200,138	(25,000)
Disability Premium	282,000	263,604	(18,396)
Forgivable Education Loan	87,450	87,450	0
Total Fringe Benefits	30,552,426	30,087,671	(464,755)

Community College of Philadelphia
 Operating Budget Projection
 as of February 22, 2012

	<u>Original Budget</u>	<u>Current Projection</u>	<u>Change</u>	
Facility Expenses				
				Lower than budgeted cost for
Utilities	2,602,706	2,442,706	(160,000)	electricity and natural gas.
Contracted Security	1,237,000	1,237,000	0	
Contracted Cleaning	1,211,011	1,211,011	0	
				Increase related to required
All Other Facility Expenses	1,723,865	1,908,865	185,000	major repairs: Mint Courtyard roof, Gym floor, parking lot sealing and sidewalk.
Total Facility Expenses	6,774,582	6,799,582	25,000	
All Other Expenses				
				Business Services' items that
Leased Equipment & Software	4,176,920	4,131,920	(45,000)	were on lease/purchase contracts were not replaced since they are still fully operational.
Catalogs and Advertising	1,360,201	1,360,201	0	
Supplies-Pool	1,329,116	1,329,116	0	
Contracted Services	1,006,034	956,034	(50,000)	
Consultant	752,300	752,300	0	
Maintenance & Repairs	637,511	587,511	(50,000)	
Postage	540,150	500,150	(40,000)	
				Insurance costs higher than
Insurance	559,950	685,650	125,700	budgeted and large number of unexpected deductible payments related to defense costs of claims initiated in prior years.
Legal Fees	200,000	200,000	0	
Other Expenses	2,155,360	1,980,360	(175,000)	
Total All Other Expenses	12,717,542	12,483,242	(234,300)	
King Scholarship	135,000	135,000	0	
TOTAL OPERATING EXPENSES	\$124,019,353	\$123,025,298	(\$994,055)	
OPERATING BUDGET STATUS prior to recording				
the \$5,928,516 GASB 45 post-retirement expense accrual.	<u>(\$2,397,714)</u>	<u>(\$2,350,246)</u>	<u>\$47,468</u>	

ATTACHMENT B

**BACKGROUND INFORMATION ON THE PROCESS AND CRITERIA
USED TO DEVELOP THE RECOMMENDATION TO AWARD A THREE
YEAR CONTRACT TO WILLIS FOR INSURANCE BROKER SERVICES
EFFECTIVE JULY 1, 2012**

**BACKGROUND INFORMATION ON THE PROCESS AND CRITERIA USED TO
DEVELOP THE RECOMMENDATION TO AWARD A THREE YEAR CONTRACT TO
WILLIS FOR INSURANCE BROKER SERVICES EFFECTIVE JULY 1, 2012**

The College's contract with the current insurance broker, Willis, expires June 30, 2012. Although staff are very satisfied with the services provided by Willis, this professional service had not been subject to a bid process since 2007. An RFP process was used to solicit proposals for the College's insurance and risk management services for a three-year period beginning with the services required for the College's July 1, 2012 insurance renewal date. Proposals were requested from: Marsh Inc., Aon Inc., Arthur J. Gallagher Risk Management Services, Willis of Pennsylvania, Inc., PK Financial Group, Exude Benefits, and Maran Corporate Risk Associates. Proposals were received from Aon, Gallagher, Willis and PK Financial Group.

The proposals were reviewed by a committee consisting of Tom Hawk (VP for Planning & Finance), Jill Weitz (In-House Counsel & VP, Human Resources), Agnes Trummer (HR Associate Director Employee Benefits), Marsia Henley (Purchasing Manager) and Jim Spiewak (Assistant VP, Budgets & Financial Services). In evaluating the proposals and the subsequent interviews, the committee members utilized the selection criteria outlined in the RFP: (1) ability to meet specified qualifications; (2) quality of responses to requested services; (3) cost of services (4) experience with higher education clients; (5) credentials of firm and proposed account team members; (6) evidence of continued commitment to account; (7) references; (8) the firm's higher education insurance market understanding and access, and the ability to benchmark and assess insurance coverages and limits; (9) the firm's understanding of risk issues and risk trends in higher education; (10) the ability of the firm to support the College's efforts to develop a comprehensive enterprise risk management plan; and (11) the firm's willingness and capacity to support the College's current risk management initiatives.

After reviewing the proposals presented by the four firms, committee members agreed that the three strongest proposals were from Aon, Gallagher and Willis. However, the committee agreed to invite all four firms for the interview process since PK Financial Group's proposal did adequately address the critical components of the RFP. All four firms made acceptable presentations and provided assurances that they could meet the minimum service expectations required by the College. However, as a result of the interview process, the committee members felt there were important differences among the firms with respect to both cost and the quality and level of services that could be provided.

The costs also varied, with the incumbent, Willis, proposing the lowest cost structure and PK Financial Group proposing the highest costs.

Insurance Broker Costs

<u>FY</u>	<u>Aon</u>	<u>Gallagher</u>	<u>Willis</u>	<u>PK Financial</u>
2012-13	\$ 56,500	\$ 58,000	\$ 50,000	\$ 65,000
2013-14	56,500	59,740	50,000	65,000
2014-15	56,500	61,532	50,000	65,500
Three Year Cost	\$169,500	\$179,272	\$150,000	\$195,000

Overall Evaluation

	<u>Aon</u>	<u>Gallagher</u>	<u>Willis</u>	<u>PK Financial</u>
Meet specified Qualifications	yes	yes	yes	yes
Quality of responses to requested services	good	excellent	excellent	good
Experience with higher education clients	good	very good	very good	weak
Credentials of firm and account team	excellent	excellent	excellent	good
Evidence of commitment to account	good	good	good	good

The committee asked all the firms a number of questions in order to better assess their capabilities and responsiveness. All firms were asked the same questions and there was considerable dialogue that took place between the committee members and the broker firms during the interview process. As a result of the proposal review and interview process, the committee unanimously agreed that the College would be best served by Willis. The points below support the committee's recommendation of Willis.

- The quality of all firms' responses to the RFP in concert with their answers to questions during the interview process, indicated that, for the most part, they understood the service needs of the College; understood the risk factors impacting higher education in general, and CCP in particular; and had the willingness and capacity to support the College's current risk management initiatives and could support an enterprise risk management exercise. The level that each team understood the risk trends in higher education and their individual involvement in insurance industry and higher education organizations and associations was varied, but it appeared all had a commitment to stay abreast of evolving higher education risk management issues.

- Of all the firms, Willis represents the highest number of local higher education clients. Locally, they serve Delaware County Community College, Montgomery County Community College, Villanova University, Lehigh University, Alvernia University, Moravian University, University of the Arts, Delaware Valley College, and the Pennsylvania Academy of the Fine Arts. They are also the insurance broker for Community College of Allegheny County which is serviced from their Pittsburg office. Aon has a large number of higher education clients but none of these clients are served from the Philadelphia office. Gallagher also has a large number of higher education clients including Peirce College and Lafayette College. These two clients, and Westmoreland County Community College and Butler County Community College are serviced through their Johnstown, PA office. CCP would also be serviced through their Johnstown, PA office. Although PK Financial Group had several local non-profit clients, Lincoln University is their only higher education client. Aon, Willis and Gallagher all have a higher-education-practice group. Both Gallagher and Willis have representatives that are on the broker advisory committee of United Educators. Gallagher is also a member of the PSBA broker advisory committee.
- The committee was satisfied with the credentials of all four firms as well as with the qualifications of the proposed account team members. Aon, Willis and Gallagher are all in the top five largest insurance brokers in the U.S. PK Financial, by contrast, is a small local firm with less than ten professionals.
- Based upon the firm's answers to committee members' questions concerning planning an enterprise risk management exercise, the committee felt that all firms had the local and/or national expertise to assist the College in developing a comprehensive enterprise risk management plan. However, the approaches recommended by Aon and PK Financial were less comprehensive than the approaches recommended by Willis and Gallagher.
- The proposed costs for the three-year period of the contract are as follows: Willis - \$150,000; Aon - \$169,500; Gallagher - \$179,272; PK Financial - \$195,000. Aon proposed additional fees for training initiatives that the others would offer at no cost.

After completing the review process, staff are recommending that the three year contract be awarded to Willis. The individuals on the proposed Willis team have worked on the College account for several years and have demonstrated their ability to fully meet the College's insurance procurement and risk management needs. Willis' three year cost was substantially lower, and the Committee believed their proposed approach to managing the account was most responsive to the College's needs.

ATTACHMENT C

**HOW CCP'S LEADERSHIP IN TECHNOLOGY
UNDERPINS LEARNING AT THE COLLEGE
NOW AND IN THE FUTURE**

**PRESENTATION BY JODY BAUER, CIO
FEBRUARY 22, 2012**

How CCP's Leadership in Technology Underpins Learning at the College Now and in the Future

Community
College
of Philadelphia

Technology Vision

State-of-the-Art Technology Platform to Support Teaching & Learning...

- that is rooted in the diversity of the learning needs of our student population
- that complements the Facilities Master Plan
- that is flexible, allowing the College to remain current
- that enhances communication for both internal and external constituents
- that builds for the future while responding to financial realities

Planning

- ▶ The technology vision is driven from the strategic planning process. This process defines the institutional priorities.
 - Strategic Plan 2008–2012
 - Academic Master Plan 2010–2013
 - Enrollment Management Plan 2008–2012
 - Facilities Master Plan 2003–2013
 - Technology Plan 2009–2012

Comparison to Other Institutions

	CCP	CACC	HACC	MCCC
Median Family Income*	19,029	N/A	32,208	31,202
Unduplicated Headcount**	29,034	33,031	32,768	21,502
FTE Enrollment **	16,568	19,006	18,888	12,044
Pell Grant Recipients **	14,960	10,712	11,161	4,307
Total Pell Grant \$ (millions) **	\$46.9	\$33.6	\$32.4	\$13.4
Average Pell Grant **	\$3,185	\$3,141	\$2,909	\$3,123
Campuses	4	4	5	2
# of Workstations ***	5,000	5,000	6,000	2,600
# IT Help Desk FTEs	4	4***	10***	5***

Data from Pennsylvania Commission for Community Colleges, as follows:

** 2011–12 FASFA*

*** 2010–11 enrollment year*

**** data from September 2010 survey*

Supporting Our Diverse Students

Can only be accomplished through a pluralistic approach.

- ▶ Students come to the College through different levels of experience and exposure to technology.
- ▶ Engaging in a 'bottom-up' approach to providing technology will ensure we are serving all students.

Challenges to Our Goals

- ▶ The growing importance of digital literacy and lack of digital literacy preparation among faculty.
- ▶ The preparation of faculty & staff through training.
- ▶ The need to ensure technology is ubiquitous.
- ▶ The need to challenge the traditional barriers to the adoption of new technology.
- ▶ The pressure to evolve new ways of supporting and managing digital resources.

e-Learning Trends

- ▶ **Digital textbooks & e-readers** will become the standard of the near future - textbook leasing
- ▶ **Ramping Up Distance Education** - real-time communication, providing out-of-class supplements
- ▶ **Personalized on-line learning environment** - interactive technology
- ▶ **The use of more mobile & tablet technology** - "mobile revolution" - matching apps to objectives of the course
- ▶ **IT tools & programs** will become even more tightly integrated with all student touch points

Efforts Identified as Strategic Priorities

DegreeWorks - Student degree audit add-on to Banner - Support students' academic planning process and educational goals through real-time and on-line tools.

Learning Management System RFP - Goal is to yield an increased feature set and more robust tools to meet future demand and availability for all courses.

Efforts Identified as Strategic Priorities

Website Redesign – Improve the user communication and prepare for future mobile apps.

Infrastructure Upgrade – Provide increased bandwidth to handle the demand of teaching & learning.

Increase the number of Smart Classrooms.

Efforts Identified as Strategic Priorities

Scholarship Processing application

Revision of the College's Fundraising application

Implementation of Resource25

Implementation of the Colonial One-Card

Migration to Active Directory

Connecting Back

**In supporting digital immigrants & digital natives
our challenges become our opportunities for
growth.**

**We are prepared and engaged to meet these
challenges.**

Questions?

