

ATHLETICS APPAREL, SHOES AND EQUIPMENT CONTRACT

A Recommendation

1. **Division and Department:** President's Division, Athletics
2. **Introduction:** Nike, through its authorized dealer Team Sports, has been the exclusive supplier of apparel, shoes and certain equipment for Oakland University's varsity sports teams since 2013. The contract with Nike and Team Sports will expire on May 31, 2016.

The University issued a Request for Proposal in August 2015 seeking proposals for an exclusive vendor to provide apparel, shoes and certain equipment for the University's varsity sports teams commencing on June 1, 2016. The following vendors submitted proposals: (i) Nike through its new authorized dealer LIDS Team Sports ("Nike/LIDS"); (ii) Under Armor; (iii) Adidas; (iv) Johnny Mac; and (v) BSN Sports.

The University's Director of Athletics and senior members of the Athletics staff evaluated the proposals based upon factors that included, without limitation: 1) financial terms, 2) customer service, and 3) perception of the brand and its fit with the University Athletic department's culture. In addition, the Director of Athletics sought and received input from the Vice President for Communications and Marketing, the University's Purchasing department, various team coaches, the Student Athlete Advisory Committee, senior administration staff and student athletes.

Based upon the information and input collected during this review process, the University is requesting that the Board authorize the President to negotiate and execute a ten (10) year contract for Nike/LIDS to be the exclusive provider of athletic apparel, shoes and equipment for the University's varsity sports teams.

The Board's Contracting and Employment Appointment Authority Policy requires that all contracts for expenditures that aggregate more than \$1,000,000 be approved by the Board before execution. If approved, the University will be purchasing a minimum of \$1,500,000 in apparel, shoes and equipment from Nike/LIDS during the term of the contract.

3. **Previous Board Action:** None

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4. **Budget Implications:** The University will receive: (i) approximately \$1,130,000 in Nike Retail Dollars during the term of the contract to be used to purchase apparel, shoes and equipment for the University's varsity sports teams; (ii) discounts ranging from 35% to 50% on retail purchases of Nike apparel, shoes and equipment during the term of the contract; and (iii) 60 pairs of shoes, 20 warm-ups, 20 bags and 20 game balls for the University's men's basketball in the first year of the contract.

The University will be required to purchase a minimum of \$150,000 per year in product from Nike/LIDS. The University will also provide Nike/LIDS with incidental marketing, promotional and other benefits each year during the term of the contract including, without limitation, game program advertisements, game tickets, recognition and signage at home games and a foursome/hole sponsorship in the Athletics golf outing.

5. **Educational Implications:** None
6. **Personnel Implications:** None
7. **University Reviews/Approvals:** This recommendation was reviewed by the President, the Athletic Director and the Vice President for Communication and Marketing.
8. **Recommendation:**

RESOLVED, that the President be authorized to negotiate and execute a ten (10) year contract for Nike/LIDS to be the exclusive provider of apparel, shoes and equipment for the University's varsity sports teams consistent with the terms of the Nike/LIDS proposal; and, be it further

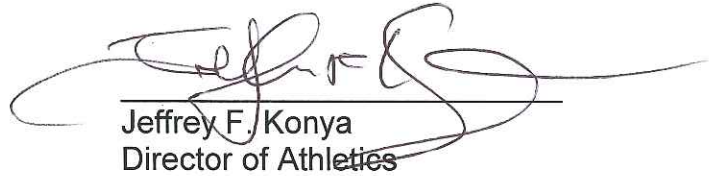
RESOLVED, that the Board of Trustees authorizes the President, and his respective designees, to perform all acts and deeds and to execute and deliver all contracts, instruments and documents required by this resolution that are necessary, expedient and proper; and, be it further

RESOLVED, that the contract with Nike/LIDS be reviewed and approved by the Office of the Vice President for Legal Affairs and General Counsel prior to execution, and be in compliance with the law and University policies and regulations, and conform to the legal standards and policies of the Vice President for Legal Affairs and General Counsel.

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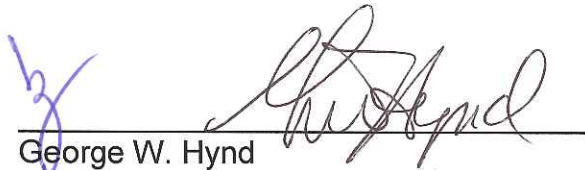
9. **Attachments:** None

Submitted to the President
on November 24, 2015 by



Jeffrey F. Konya
Director of Athletics

Recommended on 11/24, 2015
to the Board for approval by



George W. Hynd
President