

To: Board of Education

From: Ron May, director, operations, ext. 2584
Bill DeWitt, athletic director, Lawrence High School, ext. 2133
Mike Hill, athletic director, Lawrence Free State High School, ext. 2277

Re: Purchase Agreement with Jock's Nitch & Adidas – High Schools

Date: April 20, 2017

Background:

Lawrence High School and Lawrence Free State High School will complete a three-year agreement for Adidas uniform purchasing this year. USD 497's current exclusive Adidas retailer is Jock's Nitch Sporting Goods. The agreement has provided discounts for purchase of athletic uniforms and sideline gear, while providing purchasing incentives for students and district employees.

Rationale:

Both high schools are interested in continuing an exclusive purchasing contract with Adidas for team apparel. Three Adidas retailers proposed partnership agreements with the district for the Adidas contract, Jock's Nitch Sporting Goods, Lou's Sporting Goods, and Nill Bros. Team Sports. A partnership agreement with Jock's Nitch is being recommended.

Summary of Adidas High School Partnership:

Jock's Nitch would enter into a five-year partnership with Lawrence High School and Lawrence Free State High School. During this time, Jock's Nitch would be the exclusive Adidas retailer for the two high schools. Student athletes and school district employees will also receive a discount on Adidas footwear, apparel, and accessories.

Agreement Highlights:

From Jock's Nitch Sporting Goods:

- Each school will receive 10% rebate at the end of the school year on all purchases made by the school, booster club, faculty, and students whether through the school or in store purchases at Jock's Nitch.
- Adidas discounts will be given to all teams, faculty, and students in USD 497 including in store purchases at Jock's Nitch.
- Jock's Nitch will provide \$1,000 of Adidas product each year of the agreement to each high school.
- Jock's Nitch will give USD 497 a 7% rebate on all non-Adidas purchases.
- Jock's Nitch will give a 20% discount on all Adidas/Free State/Lawrence High decorated merchandise purchased in store.
- Jock's Nitch will continue to carry letter jackets for both schools.

From Adidas:

In each year of this Agreement, the district will receive:

- 10% rebate in product allotment at retail value for all purchases of Adidas uniforms, footwear, apparel, and accessories made during the fiscal year.
- \$3,000 in product allotment at retail value for each of the district's high schools, currently Lawrence High School and Lawrence Free State High School.
- \$2K bonus in product allotment at retail value if the district as a whole exceeds \$150K during a fiscal year.
- \$5K bonus in product allotment retail value if the district as a whole exceeds \$200K during a fiscal year.
- \$10K bonus in product allotment retail value if the district as a whole exceeds \$250K during a fiscal year.
- For all headwear purchases by the district, Adidas will provide a second at no charge: "one for one."
- During the term of this agreement, the district will be eligible to purchase Adidas at the following discounts:
 - Adidas Footwear 35% off retail price
 - Adidas Apparel 40% off retail price
 - Adidas Uniforms 40% off retail price
 - Adidas Baseball & Lacrosse Hardgoods 25% off retail price
- Bonus compensation (merchandise): Provide district \$6,000 (\$3,000 for each high school) in product at retail value when agreement is signed.

Recommendation:

Administration recommends board approval of the exclusive purchase agreement with Adidas and Jock's Nitch for Lawrence High School and Lawrence Free State High School. The exclusive agreement only applies to purchases made by the school, individual students will still be free to purchase from any vendor.

Motion:

"I move the Board of Education approve the exclusive purchase agreement with Adidas and Jock's Nitch for Lawrence High School and Lawrence Free State High School."