Los Angeles Community College District  
770 Wilshire Boulevard- 6th Floor  
Los Angeles, California 90017

Re: Proposal Responding to RFP No. 13-05, "Efficiency Study of the LACCD Procurement and Accounts Payable Functions."

Introduction

The Berkshire Group is pleased and privileged to submit this response to the Los Angeles Community College District’s Request for Proposal to “Conduct a review of the District’s procurement and accounts payable processing for the purpose of reducing costs and finding a better way to improve its services.” I am writing to introduce the Berkshire Group and myself for the purpose of detailing Berkshire’s experience, expertise and proven track record of: (a) achieving, delivering and implementing exceptional cost savings results; (b) introducing process enhancements; (c) reviewing organizational and management structures; (d) recommending highly cost-effective and highly-efficient methods to deliver quality goods and services from “best in class” sources; (e) identifying and correcting systemic patterns of costly and inefficient processing and payment methodologies, patterns and practices and (f) working with large, complex multi-campus higher educational systems to achieve synergies, eliminate redundancies and waste, promote and develop system-wide efficiencies and to leverage the organizational procurement “heft” of the system on behalf of its constituent members.

Since 1997, we have consistently delivered exceptional results on behalf of our roster of high profile, “best in class” category leaders with discerning expectations. Berkshire’s particular area of expertise pertains to the field of higher education. Berkshire accepts without qualification or exception all of the requirements and conditions required by the District as they are detailed in this RFP. Attachments, A-E, signed and acknowledged by Berkshire are attached as Exhibit 1; attachment F, the proposed form of contract, is also acknowledged.
As per the requirements of RFP Section 5.3.1, Transmittal Letter/Introduction, Berkshire provides the following information:

1. The Berkshire Group, 27 Berkshire Drive, Warren, New Jersey 07059, 908-642-7479. A local office is also maintained in California.
2. NO subcontractors.
3. Robert Horowitz, the Founder & President of Berkshire, will be the lead and day-to-day contact, on behalf of Berkshire. Same contact information as contained in #1.
4. Berkshire’s Proposal shall remain valid one-hundred and twenty (120) days from May 31, 2013.
5. No information contained in Berkshire’s response is confidential.
6. Berkshire is a nationally recognized company with clients located throughout the country and in California.
7. Robert Horowitz, Berkshire’s Founder and President, will provide the management and oversight of the proposed engagement. Any required staffing will be provided by Berkshire employees and staff. The Resume of Robert Horowitz is attached as Exhibit 3. Personal references for Robert Horowitz and Berkshire: (a) Mark Skvarna, Superintendent, Baldwin Park USD, 626-705-5928; (b) Steve Keller, Superintendent, Redondo Beach USD; (c) Albert Robles, Councilman, City of Carson, 562-234-0970. Berkshire’s California clients include and have included: Weyerhaeuser, Pardee Homes, Baldwin Park USD, Fontana USD, Compton, USD, Redondo Beach USD, the City of Oakland, JP Morgan Chase, Owens-Corning and B/E Aerospace.
8. Berkshire’s website: www.berkshiregroupconsulting.com

Thank you for providing the Berkshire Group with the opportunity to submit this response to the District’s RFP.

Very truly yours,

[Signature]

Robert Horowitz, President
The Berkshire Group
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Statement of Experience & Qualifications

Why Berkshire?

1. Experience: 15 years experience in developing and implementing financial and operational strategies for over 50 colleges and universities.
2. Results: Delivering tens of millions of dollars to clients in permanent and quantifiable economic value and benefit.
3. Approach: "Hands-on" and collaborative approach with clients to determine most advantageous course of action.
4. Methodology: Berkshire has developed a unique and proprietary set of analytics it utilizes to benchmark its client's performance compared to peer groups.

Since 1997 Berkshire has developed a national reputation in the field of: (a) third-party cost analysis and cost containment services; (b) supply chain process review and assessment; (c) organizational and structural analysis and metric-based assessment; (d) increasing revenue sources and streams; (e) increasing underlying efficiencies, economies of scale and optimizing organizational performance and (f) reducing waste, redundancies and inefficiencies.

Berkshire: (1) identifies "targets of opportunity;" (2) designs potential solutions based on fact-based data and metrics (3) recommends a course of action based on potential cost-effectiveness combined with a transition strategy of transparency and seamless implementation and integration and (4) will work with the District to implement those recommendations selected for adoption in an expeditious manner. Berkshire recommends and implements thoughtful and reality-based solutions.

Berkshire is committed to identifying improvement opportunities and designing and implementing strategies that deliver "bottom-line" improvements and enhancements for the organization. Berkshire's experience and knowledge involve leveraging, streamlining and standardizing the delivery and functionality of goods and services both within and without the organization. Our recommendations, which we implement once approved by our client, never diminish or devalue the exceptionality or quality of the goods and services delivered and utilized. Descriptive information about Berkshire is attached as Exhibit 2.
Berkshire’s efforts have produced and achieved tens of millions of dollars in permanent, recurring and quantifiable savings that can be better applied to support of our client’s underlying institutional mission and purpose. In the case of the District, that means the availability of more resources that can be directly applied and allocated to the underlying mission of the District; namely the education of its students. In addition, Berkshire has also developed an expertise in identifying revenue streams based on the utilization of and access to the assets of the client—such as food venues, retail opportunities, financial services and outdoor advertising.

Robert Horowitz, the Founder and President of Berkshire, will personally lead the effort at: (1) identifying cost savings/revenue opportunities; (2) recommending to the District which opportunities have the greatest cost savings/revenue potential; (3) focusing on those opportunities that can be implemented in the shortest amount of time and in the most transparent manner with little or no disruption and with the least amount of staff time and (4) implementing those recommendations approved by the District. Robert Horowitz is a Phi Beta Kappa graduate of Brown University; received his law degree from New York University and was an Assistant District Attorney in the Office of the Manhattan District Attorney in New York City. Berkshire maintains and adheres to the highest standards of professionalism, integrity and principles on behalf of its clients. *The Resume of Robert Horowitz is attached as Exhibit 3.*

At the Berkshire Group we specialize in achieving significant cost savings on behalf of: colleges and universities; governmental entities (such as cities, counties, states and specialized entities); hospitals; private and public companies and non-profit organizations. Berkshire performs an exhaustive and meticulous cost savings analysis and performance audit of supply chain effectiveness and operational expenses.

Our “sweet spots” include Review & Analysis of:
1. Internal “procurement & payment” lifecycles.
2. Supply contracts.
3. Construction audits.
4. On-site print shops, mailrooms and other service-based facilities.
5. Organizational and management structures.
6. Service contracts.
7. Technology expenses.
8. Food costs and food services operations.
9. Third-party revenue enhancement opportunities.
10. Fleet & vehicle costs.
11. Equipment procurement & maintenance costs.
13. Insurance costs, including self or third-party insurance.
15. Library costs.
17. Travel and security costs.
18. Janitorial costs.
Berkshire has developed a unique knowledge base in performing full-scale reviews and assessments of cost and expense structures combined with revenue enhancement opportunity analysis on behalf of the "higher education segment." Berkshire's efforts have achieved and delivered millions of dollars in recurring and definitive savings for well-known and prestigious college and university clients, including large-scale multi-campus colleges and universities:

- The City University of New York: America's largest urban system of higher education with 23 campuses, 450,000 students, 30,000 faculty and a $2.5 billion annual operating budget.
- Massachusetts Community College System.
- Brown University: Over 10,000 undergraduate, graduate and medical students with an annual operating budget in excess of $800.0 million.
- Howard University: Over 10,000 undergraduate and graduate students including medical, dental, law and divinity with an annual operating budget in excess of $800.0 million.
- University of Pennsylvania: Over 20,000 students on multiple campuses with graduate schools in medicine, law, business and one of the nation's leading medical centers; annual budget in excess of $2.0 billion.
- New York University: One of the nation's largest private universities with over 30,000 students on numerous campuses including business, law and medicine. Annual operating budget in excess of $2.0 billion.
- Rutgers University: the State University of New Jersey with multiple campuses located throughout New Jersey with over 50,000 degree seeking students. Annual operating budget in excess of $2.0 billion.
- John Jay College of Criminal Justice: Nation's pre-eminent college of criminal justice and forensics.
- Jackson State University.
- Southern University System. Largest HBC university system.
- Alcorn University.
- Northern Essex Community College.
- Holyoke Community College.
- Springfield Technical Community College.
- Massachusetts College of Art & Design.
- New School for Public Research.
- Babson College.
- Montclair State University.
- Providence College
- Monmouth University
- Richard Stockton College
- Indiana State University.
- Lafayette College.
Other well-known clients include:

- States of New Jersey and Rhode Island.
- JP MorganChase.
- Pardee Homes.
- B/E Aerospace.
- Weyerhaeuser.
- MICROS Systems.
- Nielsen & Bainbridge.
- PNC Bank.
- Celgene Pharmaceutical.
- ICI Industries.
- National Grid.
- Novo Nordisk Pharmaceuticals.
- Georgetown University Medical Center.
- Washington Medical Center.
- Atlantic Health System.
- Hackensack University Medical Center.
- Owens-Corning.
- Electrolux.
- Oreck Vacuum Cleaner Company.
- City of Oakland, California: Currently working on a revenue enhancement project involving outdoor advertising.
- The Port Authority of NY/NJ: The nation’s largest independent governmental agency with responsibility for the area’s bridges and tunnels, airports, the “Freedom Tower,” and ports and harbors as well as wide-scale economic development in the area.
- New Jersey Transit: The nation’s third-largest mass transit bus/rail transportation system.
- Fontana USD.
- Baldwin Park USD.
- Compton USD.
- Bergen, Camden, Essex and Middlesex Counties: New Jersey’s four largest counties with combined populations in excess of 2.0 million and annual operating budgets in excess of $2.0 billion.

_Berkshire’s #1 Goal: Delivering Significant & Sustainable Results for its Clients; many “World Class & Best in Class”_

While you can employ the services of the well-known and expensive consultants, our experience has been that they spend too much time submitting thick reports and useless PowerPoint demonstrations. Our work is geared towards one end—obtaining any credits or refunds and reducing expenses. Bigger is not always better. We offer a “roll up our sleeves” attitude. Our approach is to help your bottom line through vigorously challenging established patterns of procurement, process and systems.
Berkshire recognizes and appreciates the challenges that lay ahead for the Los Angeles Community College District. Providing and delivering a quality and affordable education, your mission, is exceedingly difficult in today’s environment; especially given current economic challenges, online competition and an uncertain employment market for LACCD’s graduates. Berkshire's mission is to ensure that those precious and limited resources are intelligently applied in support of LACCD’s underlying. Berkshire’s deliverables will encompass a comprehensive factual analysis accompanied by recommendations and an implementation strategy.

Berkshire’s goals and objectives involve the implementation of agreed upon project recommendations. We are focused on supporting your educational mission. To that end, we will focus on achieving tangible and quantifiable results measured against pre-existing metrics and benchmarks.

Methodology & Timeline

Berkshire possesses significant experience and has delivered tens of millions of dollars in recurring economic benefits and value on behalf of its clients. However, Berkshire always adheres to the following core and fundamental principles: (1) Berkshire is the Client’s resource; (2) Berkshire works on a collaborative basis with the Client; (3) Berkshire takes direction from the Client; (4) Berkshire submits its initial findings and suggested pathways to the Client for its going forward recommendations and (5) Berkshire implements those authorization the Client has recommended for adoption.

Project Commencement

Once this engagement commences a number of initial tasks need to be organized and completed in synch with the District:

1. Berkshire meets with the District’s Project Leadership Team to discuss the parameters and scope of the Engagement, as well as critical pathways, priorities and timelines. Establishment of Goals & Objectives and the setting of benchmarks and metrics to measure and evaluate Project recommendations.

2. Development of an implementation strategy regarding those recommendations “approved” for adoption. Perhaps most important, the development of a Schedule of Events, with deadlines and deliverables, starting with the initial “Project Commencement Date,” followed by critical dates and tasks including draft reports, presentation dates, meetings with senior staff and completion and submission of a final report to the District’s CFO and Deputy Chancellor detailing findings and recommendations.

3. Designation by the District of a Project “Point of Contact” who will be responsible for data collection, introductions to other key District personnel, coordinating meetings and conference calls, project collaboration and prioritization of tasks.
Berkshire possesses significant experience in reviewing underlying contracts, agreements and tariffs relating to its review and analysis of the specified expense categories. We perform a meticulous and highly accurate audit of the underlying documents and then we compare that data to our updated and exhaustive data base of pricing for comparable goods and services. We examine the relevant details of bills and invoices in terms of their accuracy so we can determine whether the District is receiving the most advantageous terms and conditions and best financial value with respect to pricing and other significant terms and conditions.

After the initial meeting(s), Berkshire’s unique approach and suggested methodology involves “drilling down” into: (a) overall effectiveness of specific processes and operations; (b) organizational, structural and functional operational/cost centers; (c) supply chain effectiveness in terms of processing efficiency and actual cost-effectiveness of specific goods and services purchased and (d) determining where additional revenue sourcesstreams can be more fully realized and maximized. To quantify potential “targets of opportunity,” a useful determinative tool is the “descending dollar report” which details the total annual value of goods and services purchased from third-party vendors starting with the highest dollar value with a “cutoff” at $100,000. That methodology involves:

1. Preparation of a descending dollar report based on the most recent fiscal year, for all District vendors who were paid at least $100,000.
2. Review the “descending dollar” report with District personnel to identify “targets of opportunity” for further review.
3. Once “targets of opportunity” are identified and agreed upon, review underlying contracts/agreements and related documents, such as invoices and payment histories, to determine whether current contracts and related terms and conditions present opportunities for cost savings action.
4. Present preliminary list/report to the District where significant cost savings/revenue enhancement opportunities exist.
5. Quantify the amount of the savings/revenue opportunities for the District and discuss an implementation strategy and prioritize those opportunities for initial implementation based on the District’s priorities.
6. Once areas for further focus and review are identified, Berkshire prepares a “game plan” for implementation.
7. Commence implementation.

**Proposed Timeline**

Berkshire believes, based upon its experience with similarly-sized institutions combined with the information contained in the District’s RFP, that this project can be completed, including commencement of implementation, in a nine (9) month to twelve (12) month timeframe. That is desirable goal and an achievable goal; the only caveats or variables relate to project scale and scope, the need to develop and distribute related RFPs and the complexity and challenges of any specific implementations.
Proposed Schedule of Deliverables:

- Opportunity Identification: Months 1-3.
- Opportunities Presented & Initial Recommendations: Months 2-4.
- "Game Plan" Discussions and Agreement: Months 5-6.
- Submission and Discussion of Factual Findings, Reports and Presentations with Senior District Leadership: Months 6-7.
- Development and Submission of Implementation Plan to Senior District Leadership: Month 7.
- Project Implementation: Months 8+.

Successful Outcomes for Clients

At the end of the day success is measured by the results achieved. We can promise a singular focus on achieving significant and measurable results; verifiable and delivered cost savings as well as other forms of economic value. However, no recommendations will ever be made if they do not make "economic or institutional sense" for the Los Angeles Community College District. Product quality or service excellence will never be sacrificed no matter what the measurable savings. In fact, Berkshire strives, through its recommendations, to ensure that service levels and product quality always meet or exceed existing expectations or benchmarks. We adhere to a simple mission statement: What is the best course of action for the Client?

Berkshire has successfully completed, or is currently in the process of implementing, cost savings initiatives, internal process enhancement programs and revenue generation projects. A partial list of accomplishments and successes includes:

1. Technology: Brown University, the City University of New York, Electrolux, Weyerhaeuser, Woodbridge Township, Nielsen & Bainbridge, Monmouth University and Novo Nordisk and Celgene Pharmaceuticals, Pardee Homes.
2. Enterprise Resource Planning: Working as part of the City University of New York’s project development and implementation team for a $300.0 million ERP project which will integrate and streamline various financial, student information and human resources functions into one comprehensive system.
3. Food Services: Brown University, Jackson State University, Southern University System, Atlantic Health System. Over $10.0 million in food procurement and process savings.
4. Third-party maintenance contracts: Brown University, the City University of New York, MICROS Systems. Over $3.0 million in reduction of the use of third-party costs and the return to in-house services.
5. Photocopying and Printing and Print Shops: NJ Transit, Port Authority of NY/NJ, Brown University, Camden County, Howard University, the City University of New York, Children’s Specialized Hospital, the Health and Hospital Corporation of Indianapolis, Atlantic Health System, National Grid, Fontana USD, Montclair State University.
6. Fleet & Freight Management: PNC Bank, Nielsen & Bainbridge, MICROS
   Systems, ICI Industries.
7. Utilities: Owens Corning, Woodbridge Township, Rutgers University.
8. Office & Other Supplies: Fontana USD, Brown University, Howard University,
   NJ Transit.
9. Equipment Leases and Related Maintenance Contracts: the City University of
   New York, MICROS Systems, Bergen County, National Grid, Montclair State
   University).
10. Service & Maintenance Contracts: Jackson State University, Babson College,
    Baldwin Park USD, Essex County, Woodbridge Township, the City University
    of New York, Port Authority of NY/NJ, Washington Hospital Center, Atlantic
    Health System.
11. Third-Party Service Contracts: Brown University, Bergen County, Essex
    County, NJ Transit, Port Authority of NY/NJ, Camden County, Woodbridge
    Township.
12. Revenue Enhancement Projects: City of Oakland, Brown University, the City
    University of New York, Howard University, Northern Essex Community
    College, Holyoke Community College, University of Pennsylvania, Jackson
    State University.

Some specific examples of results achieved:

- Technology & Telecommunications: uncovered billing and tariff inaccuracies and
  above market pricing which resulted in saving clients significant dollar amounts
  totaling well in excess of a million dollars.
- Photocopying and Printing: “Right sized” photocopying equipment on behalf of
  clients; re-negotiated terms and conditions of existing equipment leases and
  successfully integrated photocopying and printing equipment which resulted in
  savings totaling well in excess of $5.0 million.
- Fleet & Freight Management: Discovered tariff errors and renegotiated
  recurring shipping charges which resulted in significant savings for clients.
- Utilities: Discovered tax inaccuracies, misapplication of contract terms and above
  market place pricing. Corrective actions were undertaken which resulted in
  multi-million dollar savings achieved.
- Office & Maintenance Expenses: Discovered incorrect terms and conditions and
  above market pricing. Corrective actions included renegotiating and including
  more reasonable and acceptable terms and conditions which saved clients
  significant amounts of money.
- Third-Party Service Contracts: Determined that invoicing and billings did not
  correlate to underlying contractual terms and conditions and as a result over $1.0
  million in overcharges recovered. Discovered above-average market pricing.
- Pouring Rights Contracts, Bookstores & Other Revenue Enhancement Projects:
  Over $25.0 million generated for college and university clients.
- Process Enhancement & Organizational Improvements: Over $10.0 saved in
  elimination of third-party service providers and WITHOUT any reductions of in-
  house staff.
Berkshire's reputation as one of the nation's most experience consultants in the field of higher educational financial performance is based upon the fact that we have had the privilege of working for of many of the nation's leading institutions of higher education. We believe that experience, and results achieved, supports Berkshire's reputation as delivering "best in class" results for its roster of "best in class" higher education clients. Berkshire is uniquely positioned to deliver very best results on behalf of the Los Angeles Community College District.

However, no two institutions of higher education are identical; even though similarities might exist in terms of goods and services purchased, organizational and structural approaches and shared institutional challenges such as declining resources and on-line delivery of instruction. Berkshire's approach to engagements reflects differences among its higher educational clients based on educational philosophies, communities served, historical factors and precedents, geography and significant social factors. No "cookie-cutter" approach is ever rolled-out or employed. Unique and different circumstances require and necessitate a carefully tailored and developed approach based on a client's specific circumstances. Berkshire will develop and follow a project strategy that reflects the District's singular characteristics and circumstances.

Principal or Lead Manager

Robert Horowitz, the Founder and President of Berkshire, will lead the engagement with the District. Horowitz is well-qualified to direct the effort for Berkshire and on behalf of the District. Horowitz believes in public service and realizes it is a privilege to serve in the public interest. Public service, character and integrity are abiding and guiding principles for Horowitz. Below is a summary of his qualifications:

1. 15 years experience in delivering significant and intelligent cost savings, economic value, operational enhancements on behalf of World Class and Best in Class Clients.
3. Member of and presenter at CALSA (California Association of Latino Superintendents and Administrators) and ALAS (Association of Latino Administrators and Superintendents).
4. Graduate of Brown University (Phi Beta Kappa and Magna Cum Laude) and received Law Degree from New York University.
5. Assistant District Attorney, New York County (Manhattan).
7. Currently President of the Watchung Hills Regional High School District (New Jersey). Recognized by Newsweek and US News & World Report as one of the Nation's top performing public high schools.
8. Hospital Trustee (Newark-Beth Israel Hospital), Parks Commissioner (Somerset County) and Tax Commissioner (Somerset County).

Consultant's Resume

Attached as Exhibit 3.

Fee Structure & Payment Terms

Berkshire's is proposing the following compensation schedule based on a “contingency or success fee:"

- Compensation will be twenty (20%) percent of the total dollars saved and/or revenues received or increased for a period of twenty-four (24) months following the date Berkshire's recommendations are agreed upon and implemented by the District and Berkshire. The District will not owe compensation to Berkshire unless the District in fact implements Berkshire's recommendations and the savings/revenues are documented and achieved.

- If Berkshire obtains any up-front payments, refunds, credits, rebates or economic value based on Berkshire's efforts, then Berkshire shall be entitled to twenty (20%) percent of any dollars or economic value received in the form of an up-front payment, refund, credit or rebate.

- The District shall reimburse Consultant for related travel related expenses to the District that are authorized by the District. Payment obligations will survive the termination of this agreement. This agreement will expire one year after the date of execution, unless extended by both parties for another one-year term.

Professional References

1. Ron Spalter: Deputy Chief Operating Officer, the City University of New York, 646-794-5609. Ron.spalter@mail.cuny.edu
2. Troy Stovall: Former Executive Vice-President & CFO, Howard University, 601-238-0752. Tals0817@gmail.com
4. Ray Stewart: Purchasing Director, Brown University, 401-863-2206. Raymond_stewart@brown.edu
Exceptions/Deviations

None.

Berkshire's success rate in achieving cost savings and/or economic value on behalf of its clients is in excess of 95% for all engagements.

We have demonstrated ability to obtain significant expense reductions/new revenue sources without any concomitant diminution in the quality of goods and services delivered. Given the present and ongoing competitive forces in the marketplace, we will provide a fresh and unbiased perspective in our analysis.

Thank you for providing Berkshire with the opportunity to submit its response to the RFP issued by the Los Angeles Community College District. If selected, Berkshire will devote the appropriate resources and time to perform a comprehensive review of those areas selected for review, analysis and implementation. I look forward to hearing from you to discuss how the Berkshire Group can assist the District in its desire to provide and deliver the best possible education for its students in the most cost-effective manner. We are prepared to commence this engagement upon receiving the District's authorization.

Very truly yours,

Robert Horowitz, President
The Berkshire Group