

McGill sells bookstore management to Chapters

BY SONIA VERMA

MONTREAL (CUP) — Following months of closed-door negotiations with Chapters Inc., McGill University has become the first Canadian university to contract out the management of its bookstore to the retail giant at an undisclosed price.

The five-year contract, ratified by McGill's Board of Governors Feb. 18, was based on a recommendation by a university committee struck to weigh the option of contracting out the store. Chapters, which took over management of the store Mar. 1, now pockets all bookstore revenues and compensates McGill with an annual fee.

Confidentiality clauses in the contract prohibit either party from revealing the exact amount of money the university will gain from the deal.

"We felt it was not necessary or helpful to see numbers bandied about in the press," said Phyllis Heaphy, the McGill administrator who headed up the advisory committee.

The amount is rumoured to be in the area of \$750,000.

According to Geoff Swift, director of college stores for Chapters, the company is projecting a financial windfall from the deal and expects revenues to climb under its management.

Swift says a clause that boosts the annual fee the company pays

McGill proportional to rising revenues sweetened the deal for the university's administration. And the university will continue to get its annual fee, even if the store falls on hard times.

"If the store loses money, the university still gets the revenue," said Swift.

In order to increase student traffic, there are plans to install a café in the bookstore, as well as create a periodical section and a lounging area. Chapters also hopes to increase the number of titles the bookstore carries and expand used textbook sales.

Despite the ambitious revenue projections, Swift says Chapters is "committed to maintaining the textbook pricing policy. Prices will

only go up because the supplier sets the cost, not because Chapters raises them."

But Adam Giambrone, who is running for an executive position in this year's student union elections, is not so optimistic.

"How are they going to make this money?" he asked. "Even if it isn't on textbooks it might be on all other titles in the store."

The secrecy surrounding the negotiations and sketchy terms of the contract has frustrated bookstore employees and students. Chapters has confirmed that workers will remain employees of McGill University, but says job descriptions may change.

An advisory committee, consisting of four McGill

representatives and one Chapters official, will review the transition of management to Chapters and help mediate any employee concerns stemming from the new contract.

Chapters has poised itself to break into the university market with an aggressive expansion plan which could see the chain installed in university bookstores across the country. Swift says outsourcing deals are already in the works with at least two other Canadian universities and talks are well underway with several others.

But he refused to disclose which universities Chapters is negotiating with.

"It's my guess that bookstore staff may not have even been informed that we're talking with their bosses."

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