

CHICAGO DISTRIBUTION CENTER



11030 South Langley Avenue, Chicago IL 60628

***SUPERIOR & COMPREHENSIVE
DISTRIBUTION & FULFILLMENT SERVICES***

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CHICAGO DISTRIBUTION SERVICES: DEDICATED TO SCHOLARLY PRESSES

Chicago Distribution Services, a division of the University of Chicago Press, is a not-for-profit enterprise dedicated to providing comprehensive distribution, fulfillment, digital printing, sales, and marketing services to scholarly publishers through the Chicago Distribution Center and Chicago Subscription Fulfillment Services. The Chicago Distribution Center (CDC), located on the southern edge of Chicago, has a state-of-the-art distribution and fulfillment operation with an on-site digital printing center at its 273,000-square-foot main facility. Staff located at the University of Chicago Press's headquarters offer book sales and marketing services to CDC clients.

The CDC serves over 80 book publishers, some under the auspices of other client presses, with over 40,000 active ISBNs and more than 10 million units in inventory. Its large size enables CDC to provide sophisticated services at competitive prices and to have a strong relationship with the book trade.

The CDC provides these clients with a full range of book distribution and fulfillment services, including:

- Warehousing and receiving
- Order entry and customer service
- Picking, packing, billing, shipping
- Returns management
- Credit and collection
- Inventory management
- Electronic order processing, including EDI and Pubnet for retailers and wholesalers
- 800 number and Internet shopping cart for direct-to-consumer sales
- Order consolidation across CDC clients
- Extensive sales, royalty, write-down, and inventory reporting
- Title Management and Eloquence data feed to the book trade
- On-site digital printing
- PCI-compliant web shopping cart
- Support for e-book sales on press web site

WHY THE CDC IS THE BEST DISTRIBUTION PARTNER

While several distributors serve university presses, the CDC has characteristics that make it the best provider of services in the United States for your distribution and fulfillment needs.

Among the most important features of the CDC are the following:

- The CDC has served the university press community since 1970 and has in-depth understanding of the scholarly press environment and its issues.
- The CDC has a proven track record of providing outstanding service to its client presses.
- The CDC management team has extensive experience in the book industry and works closely with clients to help them make informed business decisions and to improve their financial performance.
- The CDC has the operational scale to provide efficiencies, sophisticated systems, and services at competitive fees and gives clients combined clout in dealing with wholesalers, retailers, and various vendors.
- The CDC provides systems, services, and ease of use to the book trade along with rapid delivery of orders; these increase sales for client presses.
- The CDC's strong relationships in the book industry enable it to provide client presses with information that will improve their performance.
- The CDC provides each client press with MITS reporting enabling the press to build analytical reports with up to date information from the CDC system.
- The CDC provides client presses with comprehensive Web-based reports on sales, inventory, and accounts receivable as well as a Web-based royalty system.
- The CDC is the only distribution center that provides its clients with access to Quality Solutions' Web-based *Title Management* system and the *Eloquence* service that sends the book trade current information about titles each week as well as providing a suite of capabilities to support your marketing effort.
- CDC's Digital Printing Services, including its on-site digital printing center integrated with CDC's CPUB information system, enables clients to keep books in print efficiently and at low cost.
- The CDC is centrally located to roads and railways serving North America and convenient to printers based in the Midwest.
- The CDC continues to expand its space to accommodate new clients and titles.
- The CDC offers fixed pricing based on net sales for its basic services; this fee structure will enable you to easily project your costs.

PROFILE OF THE CHICAGO DISTRIBUTION CENTER

The University of Chicago is a not-for-profit educational institution established in 1892. Chicago Distribution Services is a division of the University of Chicago Press, one of the original departments of the University, and serves scholarly and professional book publishers through the Chicago Distribution Center (CDC). As part of the University of Chicago, Chicago Distribution Services and the Chicago Distribution Center share its financial stability.

The CDC distributes books for over 80 presses with 42,230 active ISBNs and more than 12 million units in inventory. A list of the CDC's current clients can be found on our web site: www.chicagodistributioncenter.org.

The CDC has long-term expertise in serving scholarly publishers. Its significant size allows the CDC to achieve economies of scale and impact in the marketplace, and to serve its clients with sophisticated systems.

CDC STAFF AND SCHEDULE

CDC'S MANAGEMENT TEAM IS HIGHLY EXPERIENCED AND EAGER TO ASSIST CLIENTS.

The CDC management team includes 18 individuals with deep experience in the business. Don Collins, president of Chicago Distribution Services, has 35 years in the business and works closely with the CDC team as well as directly with client presses. The CDC's success is contingent on your success; we seek to help your staff manage your press and to work smoothly with your other vendors and your customers.

CDC'S LARGE, FLEXIBLE STAFFING MEETS CLIENT PRESSES' NEEDS.

CDC's staff of 90 people has substantial cross-training to ensure that all departments operate effectively throughout the year. Some workers rotate between pick and pack and returns during the high and low periods for those activities. Temporary warehouse workers are employed to keep shipments up to CDC standards during the busiest periods.

CDC STAFF WORKS CLOSELY WITH ALL CLIENT PRESSES.

CDC managers and staff work to provide efficient and effective service to all client presses. CDC Information Technology staff develops systems and reports available to all client presses without billing any press directly.

CDC'S SCHEDULE SERVES ITS CLIENTS WELL.

The CDC's normal business hours are 8:00 a.m. to 5:00 p.m. central time, Monday through Friday. Staff works longer hours as necessary in order to maintain our standards. The CDC is closed for just eight holidays each year. These holidays are Martin

Luther King Day, Memorial Day, July Fourth, Labor Day, Thanksgiving and the following Friday, one day at Christmas, and one day at New Years. The warehouse, including returns, suspends normal operations for one week each spring to conduct inventory but the other CDC departments continue to operate during that week. (See the section on Inventory for detail on this process.)

CDC'S FACILITIES

WELL LOCATED TO SERVE SCHOLARLY PUBLISHERS.

The CDC is located 14 miles south of downtown Chicago, near the Indiana border. One block from Interstate Highway 94 and near Interstate Highway 90 and other major highways that serve all of North America, the CDC is easily accessible to trucks. Centrally located, the CDC can deliver to vendors throughout the U.S. within three to four days. The major printers located in Michigan deliver to the CDC in one day.

A LARGE FACILITY WITH SPACE FOR NEW CLIENTS AND ROOM TO EXPAND.

The CDC has 323,000 square feet of warehouse space with availability for new inventory from current and new clients. An addition to the main warehouse of about 50,000 square feet is planned.

HIGH QUALITY, SECURE SPACE FOR CLIENT PRESSES.

The CDC distribution center is heated and served by sprinklers throughout the facility. The ADT Security System is tied directly to the local Fire and Police Departments. All entrances have security access and motion detectors are activated throughout the building during off hours.

A LARGE STAGING AND LOADING/RECEIVING AREA.

The CDC dock area has four bays and a staging area for outgoing shipments. The receiving area can handle up to 70 skids. On an average day, CDC receives and processes at least 20 new titles and one reprint.

BOOK RELEASE PROCEDURES

PROMPT HANDLING OF INCOMING STOCK AND REPORTING OF PROBLEMS.

Stock arriving from printers is counted and checked for damages and/or shortages immediately. Shortages are noted on the shipper's Bill of Lading and a copy of such is forwarded to the client publisher with the Inventory Receipt Report within 48 hours of delivery.

BOOK RELEASE PROCESS INCLUDES ELECTRONIC NOTICE TO PUBLISHER.

The CDC releases backorders twice weekly to facilitate combining of shipments across all presses for our clients. In addition client presses can request special releases. At the time of a release the CDC sends an electronic report, showing number of units and dollar value of the release to each client press for which a title was released.

PICK, PACK, AND SHIPPING

PICKING SYSTEM

CDC operates on a post-bill basis: invoices are produced and mailed separately after books are pulled, packed, and shipped Picking tickets are processed twice a day with the first printing at 12:30 p.m. and the second printing at 5:00 p.m., ready for picking the next morning.

Batching and tracking orders.

The warehouse has six picking zones. Picking tickets are scanned in each zone and scanned out when completed. The books are also scanned as they are packed into boxes for shipping. When packing of an order is complete, the information system notifies the packer if he/she has included a wrong book or is short any units for the order. The system produces a shipping label and assigns a tracking number to each carton.

CDC systems and managers monitor picking.

CPUB, the CDC fulfillment system, provides warehouse managers with a daily report for each picker, including the number of units picked and the rate of errors in picking. Managers counsel poorly-performing pickers. As part of the CDC's corrective action program, a picker may be terminated for unacceptable performance.

The tracked packing procedure has virtually eliminated errors in picking and shipping. Occasionally a customer reports non-receipt of a book; based on past experience with a customer, we will either deny the claim or ship another copy of the missing book.

Technology supports packing, shipping, and returns operations.

Scanners are used in all packing locations for verification and confirmation. The activity automatically posts to the CDC information system. CDC has the capability of sending Advance Ship Notice (ASN) to all customers. Return processing also uses scanners to insure proper credit.

Effective control systems for prompt filling of orders.

Each morning CPUB produces an aging report on picking tickets in the warehouse. Managers monitor this report to insure that all picking tickets produced have been confirmed as being shipped. Outstanding picking tickets that are over two days old are investigated to insure that all orders have been shipped.

PACKING AND SHIPPING

Protective and environmentally-sensitive packing materials.

Bubble wrap and an environmentally safe expandable packing material are used in the packing area to insure that books are not injured in shipping.

Paperwork with shipments.

Invoices for foreign shipments, which require them for customs purposes, are produced after orders are packed and ready for shipping and are included in the shipments.

Domestic shipments include a packing list in alphabetical order by title that gives list price and discount. CDC produces and mails or electronically sends invoices to domestic customers within 24 hours of the shipment.

SHIPPERS SERVE CDC WELL.

Federal Express and UPS pick up twice a day. Truckers for wholesalers and chains pick up consolidated orders across the client presses one or more times each week.

CDC'S POSTAGE POLICIES AND RATES ARE FAIR TO OUR CLIENTS.

Direct Mail and Individual Orders: CDC's postage rates for individuals and stop orders are \$5.00 for the first book and \$1.00 for each additional copy for domestic orders and \$9.50 for the first book and \$5.00 for each additional book for foreign orders.

Other customers: All other customers are billed for the exact shipping charges.

Requests for gratis copies: Gratis copies are billed at the actual shipping charge.

Charges for shipping to exhibits: Charges for shipping to exhibits is actual shipping charges.

CDC raises these rates when postage and shipping rates are increased; clients are notified of these changes as soon as we learn of them.

CUSTOMER SERVICE AND ORDER PROCESSING

EFFICIENT PROCESSES FOR ACCEPTING ORDERS BY PHONE, FAX, AND MAIL.

CDC's customer service staff includes two managers and eight customer service representatives. Improvements in communications systems and information technology, as well as strong management, have enabled the CDC to maintain stable staffing as activity has grown. The sophisticated telephone system distributes calls to the next available rep. When calls are at peak, both managers handle calls.

The CDC maintains a high-speed fax; orders are pulled often during the day and distributed to the reps for entry. The CPUB fulfillment system processes Web orders and produces picking tickets twice daily.

CUSTOMER SERVICE REPRESENTATIVES ARE WELL TRAINED AND SUPERVISED.

Each new customer service representative must complete the CDC's intensive training program prior to taking phone orders. A customer service manager works closely with the trainee and approves each stage of his/her training before a representative is certified.

The two customer service managers monitor telephone calls, check orders, and review all customer service complaints to assure CDC maintains its high standard of customer satisfaction.

SOPHISTICATED CUSTOMER SERVICE TELEPHONE SYSTEM ALLOWS PERFORMANCE MONITORING.

The customer service manager receives a daily report of calls taken, dropped calls, and average hold time. The phone system forwards held calls to a manager's phone if the call remains on hold for over three minutes.

CUSTOMER SERVICE OFFERS ALTERNATIVE EDITIONS.

Customer service reps will suggest another edition of a title if the requested edition is out of stock as long as all editions are entered into the CPUB product master file.

CDC SUPPORTS ALL STANDARD ORDERING METHODS.

CDC maintains toll-free numbers for fax and telephone orders, as well as Pubnet, EDI, and Easylink for retail orders and customer service. Client presses pay no additional charge for these services.

CDC processes multiple address orders efficiently.

Our Customer Service department has the ability to process and expedite multiple address orders efficiently when submitted via an Excel spreadsheet. Promotional materials such as inserts or press releases can be included with these shipments at no additional charge.

CDC address correction software insures accurate delivery to end consumer.

Through address certification, the (CASS) Coding Accuracy Support System insures that your customer receives an order as intended.

CDC PROVIDES A WEB SHOPPING CART TO CLIENT PRESSES AT NO EXTRA CHARGE.

The CDC PCI-compliant shopping cart is linked to a client press's Web site so that consumers can order its print and digital publications easily. These Web orders are electronically processed and picking tickets for print products are generated twice daily. Orders for electronic products are fulfilled by BiblioVault.

CDC HAS A BROAD CREDIT CARD POLICY.

CDC honors Visa, MasterCard, American Express, and Discover credit cards for publication orders. Clients pay no additional fees for these services.

CDC GUARANTEES TO SHIP ORDERS RAPIDLY.

The average time from receipt to shipment of orders is two working days. In the event of failure to ship an order within five working days from receipt, CDC pays a client press an amount equal to 5 percent of the billings affected.

RUSH ORDERS SHIP THE SAME DAY WITH NEXT DAY DELIVERY.

Rush orders faxed or called in by Noon central time will be shipped the same day if the book is in stock; next day shipment services are used.

CDC INFORMATION SYSTEMS

WEB-BASED INFORMATION SYSTEMS FOR CLIENT PRESSES.

All product and summary sales data for client presses can be migrated to CPUB, the CDC's database and fulfillment system. For history information this process can occur over an extended period of time.

Each CDC client press has access to 360 month-end reports regarding its business in HTML format through the CDC Web site. This information is proprietary to each press and password protected. Attachment B lists these reports. Real time information is available to each client press at all times.

SPECIAL REPORTS FOR CLIENT PRESSES.

CDC's IT staff works with client presses to develop new and useful reports that bring value to all CDC publisher clients. These reports are made available through the password-protected Web site. Reports that may be valuable to all clients are created and posted to the Web for all to use.

ELECTRONIC TRANSFER OF DATA TO CLIENT PRESS ACCOUNTING SYSTEMS.

CDC has imported data into CPUB and exported information from CPUB to a variety of client press data bases. CDC IT staff works with client presses to establish and maintain transfers between CPUB and client press accounting systems.

CLIENT PRESS ACCESS TO THE CDC DATABASE.

Each client press has read-only access to all elements of the CDC CPUB database that pertain to their activities. The only record that the client press cannot change is the customer master and market segments and definitions. All other information or elements belonging to a press can be changed or updated by staff of that press. An

audit trail of all changes made to the database is maintained and can be viewed when requested. Secure login procedures are established for each staff member of each press based on the Director's directions. The Director designates the level of access for each staff member.

COMMUNICATION AMONG CDC CLIENTS AND CDC MANAGEMENT.

CDC maintains a Listserve that enables client presses to communicate with each other and CDC managers. The staff of a press is always welcome to be in direct contact with CDC managers as well; we seek to help you make your press a success.

A STRONG DISASTER AND CRISIS CONTINGENCY PLAN FOR CDC'S INFORMATION SYSTEMS.

The CDC computer system is connected to a battery-operated power supply that runs for up to an hour in case of power failure. CDC's mirrored data storage system ensures that no information is lost due to disk failures. Complete data backups are done nightly; the backup tapes are stored offsite. Maintenance agreements with computer vendors ensure timely replacements of any damaged or defective hardware.

Title Management and Eloquence

CDC provides client presses with access to a Web-based version of Quality Solution's *Title Management* database system as part of its basic service fee. Presses use this system to provide a wide variety of information about their titles to CDC and to the book trade. CDC feeds this updated information to the trade via *Eloquence* each week.

Use of this system ensures that the trade has accurate information about release dates, discounts, and pricing and a client press will not be penalized for disseminating erroneous information. *Eloquence* can also feed the trade descriptive information, e.g., jacket copy and thumbnails, so that wholesale and retail Web sites can provide their customers with this detail about your books.

Accounting Systems, Policies, and Procedures

CPUB, the CDC fulfillment system, produces all reports on sales and credits from returns at the individual customer level and also at the publisher/client level. Outstanding accounts receivable is balanced monthly at the client level across the data base. The monthly royalties and cost-of-goods sold calculations are recorded at the product level. Monthly reporting of detail is available online to each client press within 24 hours of month-end processing.

PROCEDURES FOR PROCESSING ROYALTIES AND PERMISSION FEES

CLIENT PRESS STAFF TRAINING TO USE THE ROYALTY AND PERMISSION SYSTEM.

CDC provides training and on-going support to client press personnel in using this increasingly sophisticated system.

A SOPHISTICATED ROYALTY AND PERMISSION SYSTEM.

A CDC client press must enter royalty payments into the system at least thirty days and permission income at least ten days before the close of its fiscal year.

CDC sends royalty statements to a client press within ten days of the close of its royalty period provided all contracts and transactions have been entered. The client press has two weeks to notify CDC of any substantial problems.

POLICIES FOR CLIENT TITLES

CLIENT PRESSES SET THEIR OWN DISCOUNT CLASSES.

CDC sets up and maintains a discount matrix for each client press in the CPUB fulfillment system.

CPUB MAINTAINS INFORMATION FOR NOT-YET-PUBLISHED AND OUT-OF-STOCK ISBNs.

A CDC client press has access to all information for such ISBNs and all active ISBNs on a daily basis. Each month the CDC supplies the press with a detailed backorder report. Each press is able to request online a backorder report which CDC will send via e-mail.

BACKORDERS ARE HANDLED PROMPTLY WHEN STOCK ARRIVES.

CDC releases backorders twice weekly or through a special release at the request of the publisher. The picking tickets follow the same process as regular picking tickets and the backorders are shipped on average in two days.

CDC PROVIDES SPECIAL SERVICES TO ITS CLIENT PRESSES.

CDC is happy to assist its client presses by providing services such as applying stickers and bar-code labels, inserting errata sheets, and correcting other mistakes. These services are billed at rates that cover staff time and materials. CDC quotes client presses a rate for each service before undertaking the work.

RETURNS, DAMAGED GOODS, AND PULPING

CDC'S RETURNS SYSTEM SAVES ITS CLIENT PRESSES TIME AND MONEY.

Returns uses information technology to work efficiently with the book trade and to make sure that no more credits are given than are deserved. If we find a discrepancy in a return, we call the customer. The CDC's magnitude of interaction with the book trade gives us greater bargaining power with wholesalers and retailers.

When a book is returned to CDC, a returns processing clerk inspects it and determines whether it is saleable. If a book is damaged due to shipping or mishandling by the customer, CDC returns it to the customer and bills the customer for return postage. If a book is shop worn or faded, CDC takes it back, and gives the customer full credit. In these cases the book is damaged out of inventory. Books with damaged jackets will be rejacketed as long as we have jackets from the client press.

CDC client presses allow a book to be returned for up to two years after purchase if it is still in print and in saleable condition. If there is a discrepancy in a return such as a missing title, the customer is notified.

Returnable status: In CPUB each title can be flagged for whether customers can return it. When an ISBN is declared out of print, a past-returnable date loaded into its product master makes it non-returnable.

In order for the CDC to maintain this system legally, a client press must have a procedure for notifying customers of out-of-print status. Most customers demand both notification of the out-of-print status and a period of 180 days after notification in which to return the ISBN for credit. CPUB maintains the past-returnable date.

Refund policy: If an individual requests a refund on a return, CDC has a check issued or credits his/her credit card for the purchase price. If an active retail or wholesale account returns a book, the credit is held against future purchases. If such an account demands a refund, CDC closes the account and refunds the purchase price. If this customer orders again, it becomes a new customer and must establish a payment history.

HIGH STANDARDS FOR GOODS DAMAGED IN SHIPMENT.

On receiving returns from customers CDC will not accept cartons that show excessive shipping damage. If upon opening a shipment, a returns clerk finds shipping damage, CDC makes a claim with the shipper.

HANDLING OF DAMAGED STOCK IN INVENTORY.

CDC removes from inventory and pulps any stock deemed non sellable. At this time, CDC does not charge for pulping inventory. CDC presses may also retrieve their damaged books.

CREDIT POLICIES AND ACCOUNTS RECEIVABLE

CDC HAS INFLUENCE WITH BUYERS.

Each CDC customer has an accounts receivable across all CDC client presses. CDC blocks an account for shipping additional orders if the customer has invoices that are past due by 90 days or longer. The impact of not receiving books from all CDC presses increases

our leverage and enables us to keep accounts receivable current. Statements are issued monthly. CPUB ages receivables nightly. Accounts Receivable produces a new list of customers to contact on each aging period.

AN EFFECTIVE CREDIT POLICY.

The customer data base for the CDC client presses is extensive; each customer has a credit history. When a new customer applies for credit, CDC establishes a reference file, sets up a minimum credit allowable, and monitors payments for the first six months. CPUB allows an account to be flagged to be reviewed each time it places an order. Each account is assigned to a credit manager who is responsible for follow up. A client press assumes the risk if it chooses to override CDC's credit hold decision on a specific account and grant credit; it must do so in writing.

EXTENSIVE COLLECTION EFFORTS.

CDC uses reasonable and legal efforts to collect on client presses' accounts, including but not limited to using collection agencies and attorneys. We use telephone calls and mail; we also stop shipments to delinquent customers.

CLIENT ACCESS TO DOCUMENTATION OF CDC COLLECTION EFFORTS.

CDC provides online access to records which document efforts to collect on a client press's delinquent accounts.

INVENTORY MANAGEMENT, AUDIT TRAIL, AND EXCESS STOCK

UNIT COSTS FOR INVENTORY.

CPUB, the CDC fulfillment system, maintains two unit costs, the original manufacturing cost and the current unit cost after write down.

LOW INVENTORY LEVELS.

The CPUB product master contains a field for an "action level" of units for an ISBN. The client press establishes and maintains this action level for each title. CDC notifies the client press when the stock falls to or below this level.

BACKORDERS.

CDC produces backorder reports when a client press requests them. Client presses have access to real time backorder detail on all of their products and customers at all times.

WRITE-DOWN POLICY.

Each CDC client press defines its own write down policy for its books. CPUB looks at a title on its anniversary month each year and determines the excess level of stock to be adjusted based on the client's projection of the title's life sales history.

TREATMENT OF EXCESS STOCK.

Each month CDC provides a client press with a list of overstock titles; overstocks are defined as units in excess of a five years' sales supply based on the average gross sales over the most recent two-year period. The press has 30 days to dispose of those overstocks or pay the storage charge of two cents per unit of overstock. The CDC does not charge for pulping the overstocks as we do not incur a charge from our vendor.

CYCLE INVENTORY

Each month we will identify 3% of the active titles to inventory. The first 3% will be identified by "most units available". These will be physically counted and inventory adjustments (if any) made and will show as a monthly inventory verification report. If inventory variance is more than a carton quantity, the comments of what actions we are taking will be included on the report. We will also inventory books that fall under a quantity of 50 copies to verify and adjust to actual quantity if required. This is in addition to the 3%.

On the 6 month anniversary of a new title, we will identify these titles to verify inventory. This will identify titles that may have had start up entries that may have been incorrectly recorded whereby throwing physical inventory counts off.

At any time, upon the presses request, an inventory count and verification can take place on any title. This will show on the monthly inventory verification report.

This cycle count will insure that a physical inventory takes place on each active ISBN once every 33 months. With the counts of ISBN's totally less than 50 copies on hand, all books may be inventoried within a 24 month period.

SUPPORT OF EXHIBITS AND CONFERENCES

CDC's only charge to client presses for shipments to conventions or meetings is the actual shipping costs for the books. CDC does not charge client presses a processing fee for these shipments. These shipping costs are billed back to a press at the end of the month; shipping detail is provided.

Client presses submit convention orders; CDC processes these orders with the free tracking code assigned by the press. CDC processes returning stock to inventory as other returns are processed; CDC credits the account the order was charged to with the appropriate tracking reason applied.

COLLECTION AND REMITTANCE OF SALES TAX

COLLECTING SALES TAX.

For each state in which a client press has a nexus and is required to collect and remit sales tax (other than Illinois) CDC records the transactions and produces a record of monies collected to be sent to and filed by the press. CDC takes responsibility for collecting, reporting, and paying Illinois sales tax for client presses. On exhibits held in Illinois, the above procedure applies. On exhibits held outside of Illinois at which a press collects sales tax, the press is responsible for filing and paying the sales tax.

REMITTING SALES TAX.

CDC collects and remits sales tax for Illinois. This service is included in the CDC standard service charge. For states where a client press is required to collect sales tax, CDC processes and collects the tax and sends the press a monthly report and monies collected for payment.

PRINT-ON-DEMAND AND ELECTRONIC FILE STORAGE AND DELIVERY

DIGITAL PRINTING SERVICES.

CDC client presses may use the digital printing center within the CDC warehouse and all related digital file storage and information systems in order to keep slow-selling titles in print, to provide units when a title runs out of stock unexpectedly, and to test the demand for titles that are being issued in paperback. Roughly 5,000 paperback titles are currently produced in this system. The digital printing center is connected to the CPUB fulfillment system; a printing is triggered when an order puts a title in the program out of stock. A preset number of units (as few as two up three-hundred) are printed with the needed units shipping with the order and the rest put in inventory. Once a print order is completed and posted into inventory, the client press is automatically notified via e-mail.

In early 2011 the CDC introduced an offsite Print to Order casebound program with Edwards Brothers printing in Ann Arbor Michigan. This true POD (as few as little as one copy at a time) program feeds orders placed at the CDC to Edwards Brothers, who then fulfills and drop ships the book to the purchaser.

In addition, a press may use other digital printing vendors and have books shipped to the distribution center and/or direct to consumers. CDC also provides a direct link to several other digital printing vendors to transfer orders and/or receive sales data.

ELECTRONIC FILE STORAGE AND DELIVERY SYSTEM.

Any university press may use the services of the BiblioVault, a repository and file services department for digital book files that is a unit of the University of Chicago

Press. The files that are printed at the CDC digital printing center are maintained at the BiblioVault and automatically downloaded to the digital printing center when CPUB triggers a print run.

BiblioVault also offers a comprehensive list of file services, preparing print PDF's for electronic book re-purposing. Titles deposited in the BiblioVault can be stored as needed for future printings as well as converted to proper the proper format for e-book sales on both PDF and reflow-able platforms.

E-book files stored in the BiblioVault are delivered with their TMM metadata to an extensive list of electronic vendors or can be sold directly from the Press' own website with BiblioVault fulfilling the electronic delivery upon completion of the e-book purchase. Automated delivery of electronic review copies is also supported through the BiblioVault website.

To further assist client presses in their e-book initiatives, the CDC has entered umbrella sales agreements with Amazon Kindle, Sony e-Reader and Kobo that offer favorable sales terms to CDC clients who sign the necessary contract addendums, with BiblioVault being the sole source of file and metadata deliveries.

A contract with BiblioVault is separate and apart from the CDC fulfillment contract but any client press may enter into such a contract for BiblioVault services.

FULFILLMENT SERVICE FEES AND CLIENT PRESS PAYMENTS

CDC FEES

CDC provides client presses with information on its charges in summary form and posts itemized detail on each press's password protected area on the CDC Web site. CDC accepts payment of its fees via electronic wire transfer.

CLIENT PRESS REVENUE AND CDC PAYMENT.

CDC pays a client press on all cash collected for its sales each month. These payments are made within 15 days of CDC's month end close. CDC can pay a client press via electronic transfer.

CDC's reports for cash collections and outstanding accounts receivable are available to a client press on the CDC Web site.

BECOMING A CDC CLIENT

THE CONTRACT

The standard CDC contract is available for you to review. Changes are made to this agreement only with the consent of both the CDC and the client press. Among the

changes to the CDC's services that would require your assent are relocating the distribution center or the addition of new services that are optional.

CONVERTING DATA AND MOVING INVENTORY

The first step for a new CDC client press is setting up its product information in CPUB, the CDC fulfillment system. This can be done up to six months in advance of the client's activation date. A press's discount schedule can be set up and customer's orders can be backordered until inventory is received and checked in by CDC.

The royalty master information must be set up in the CDC royalty and permissions system. Some of the royalty recipient information can be exported from a press's current system.

An advance receipt of partial quantities of all titles in carton quantities can be done well in advance of start up in order to eliminate down time in shipping. Reprints and new titles coming the last three or four months prior to starting distribution from CDC can be partially shipped from the bindery to CDC.

If a press's inventory is provided in an orderly manner, CDC can process one truckload (20 to 24 skids of books) each day.

REFERENCES: CURRENT CDC CLIENT PRESS DIRECTORS

Following is contact information for the directors of four client presses and for the CDC:

Geoffrey Burn, Director

STANFORD UNIVERSITY PRESS

1450 Page Mill Road

Palo Alto, CA 94304-1124

650-736-1942

Client since 2002

Sheila Leary, Director

UNIVERSITY OF WISCONSIN PRESS

1930 Monroe Street, 3rd Floor

Madison, WI 53711

smleary@wisc.edu

608-263-1101

Client since 1998

Rosalyn Carr, Business Manager

UNIVERSITY OF ALABAMA PRESS

200 Hackberry Lane

Tuscaloosa, AL 35401

205-348-1567

Client since 1997

CDC Contact Information

Don Collins, President

773-702-8020

dcollins@press.uchicago.edu

Karen Barch, Chief Operating Officer

773-702-7024

kbarch@press.uchicago.edu

