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Background on CREC's Endorsement of the PEPPM Technology Program

I am writing to provide additional information about one of CREC's premier cooperative purchasing programs. The program is known as PEPPM.

PEPPM is a cooperatively bid technology procurement program. PEPPM is administered by the Central Susquehanna Intermediate Unit (CSIU), a Pennsylvania educational service center. CSIU's mission is the same as CREC's; to assist school districts through the provision of programs and services. PEPPM, through CSIU, has been competitively bidding technology products for over 24 years. They are experts in protecting the interests of public school districts in the bidding and awarding of these contracts.

As you probably know, Connecticut has six "regional education service centers", or "RESCs". CREC is the largest of them. These six Connecticut agencies work together - as the Connecticut RESC Alliance - on many issues of concern to school districts. The PEPPM program is endorsed by the Connecticut RESC Alliance.

CREC and CSIU entered into a legal agreement effective January 1, 2006, whereby CREC promotes and markets PEPPM's competitively bid-protected contracts to Connecticut school districts, non-public school systems, town municipalities, colleges, universities, libraries, and other eligible buying agencies. CSIU continues to administer the PEPPM program on behalf of CREC. CREC promotes the PEPPM program through its website, published literature and specific cooperative purchasing events held throughout the state with PEPPM representatives.

Prior to entering into the agreement with CSIU, CREC visited with CSIU's leadership team and the PEPPM management team. We were thoroughly impressed with the individuals we met and with the program's administration.

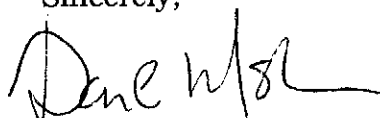
PEPPM's competitively bid contracts have been conducted and awarded in Pennsylvania and California and offered for use by any of the other 48 states. The state statutes of California and Pennsylvania require that all competitive bids take place in their respective states. Connecticut and many of the remaining states do not have any such state statute. PEPPM Terms and Conditions (Ts and Cs) provide for optional vendor extension of their awarded bids to buyers in other states, such as Connecticut. This is sometimes referred to as "piggybacking".

This type of arrangement is typical. For the 2007 bid, and subsequent bids, CREC elected to continue to promote the piggyback arrangement with Pennsylvania, so that Connecticut buyers have the benefit of the "purchasing power" of our state as well as another large state. As I am sure you can appreciate, vendors are apt to offer stronger discounts with that type of potential buying volume. Thus, the piggyback arrangement is a benefit to the towns and districts CREC serves.

Each Connecticut town and district determines its own procurement policies. These policies often include some level of competitive bidding. Since the quotes received by a Connecticut town or district under the PEPPM contracts have already been competitively bid through a multi-state bidding process, they are considered valid under the competitive bidding policies of every Connecticut town or district that we are aware of.

If there is any additional information that you would like to have, please do not hesitate to call. Best wishes to you and your colleagues.

Sincerely,

A handwritten signature in black ink, appearing to read "Donald P. Walsh". The signature is fluid and cursive, with a long horizontal stroke at the end.

Donald P. Walsh
Deputy Executive Director
Finance & Operations