

**Agendum
Oakland University
Board of Trustees Formal Session
February 15, 2021**

**APPROVAL OF EXTENSION FOR RESIDENTIAL AND RETAIL FOOD
SERVICES ON CAMPUS
A Recommendation**

1. Division and Department: Student Affairs and Diversity

2. Introduction: Since July 2002, Compass Group North America-Chartwells Higher Education (Chartwells) has provided residential and retail campus food service. Concepts currently operated by Chartwells include: Pioneer Food Court (Oakland Center (OC)), the Market Oakland Center (OC), Plum Market ft. Zingerman's Coffee (OC), the Bear Cave (OC), Hillcrest Dining Center, Vandenberg Dining Center, Tilly's Convenience Store (Oak View), The Hive (Hillcrest), Frankie's Café (Kresge), Atrium Café (Human Health Building), Pawley Hall Convenience Store, and Healy Café (Elliott).

Oakland University and Chartwells have built a relationship based on trust, respect, and collaboration. Support to the University is provided at the local, regional and national levels, resulting in continuous improvements and innovations in service, offerings and facilities for Oakland University students, faculty and staff.

In response to increasing expenses due to the addition of the Hillcrest Dining Center and to remedy the current financial landscape and enrollment projections, Chartwells approached Oakland University with an extension proposal, extending the current contract by ten years.

An eight member committee reviewed the proposal and analyzed operational and financial aspects. Committee members included representatives from Student Affairs and Diversity, the Oakland Center, Housing, and Finance and Administration.

The committee recommends the current contract with Chartwells be extended by ten years, to expire on June 30, 2035, based on the following criteria, originally used in the selection process in 2014:

- a) A strong focus on improvements in the retail, residential, and catering operations
- b) Creative vision of facility improvements
- c) A realistic projection of account sales, updated to the current financial landscape and enrollment projections
- d) Regional and on-site management experience and commitment
- e) The financial proposal yields positive financial return to the University

Over the life of the extended contract Chartwells will fund an additional \$2,200,000 in capital improvements.

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3. Previous Board Action: On June 5, 2002, the Board of Trustees approved a five-year contract with Chartwells to provide campus food service. On April 6, 2005, the Board of Trustees approved a seven-year extension with the option for two one-year mutual extensions. On December 14, 2014, the Board of Trustees approved a ten-year contract with Chartwells to provide campus food service.

4. Budget Implications: Refer to Attachment B, page 2, for major financial components of the proposal.

5. Educational Implications: The proposed extension of the relationship between the University and Chartwells will continue to provide a robust residential and retail dining experience to meet the changing needs and expectations of students. The food options and enhancements, both venue and service, will serve to increase student satisfaction with campus dining services, which will positively impact student recruitment, retention and graduation rates.

6. Personnel Implications: None.

7. University Reviews/Approvals: This recommendation was formulated by the Director Oakland Center and reviewed by the selection committee, Senior Vice President for Student Affairs and Chief Diversity Officer, Vice President for Finance and Administration and Treasurer to the Board, and President.

8. Recommendation:

RESOLVED, that the Senior Vice President for Student Affairs and Chief Diversity Officer be authorized to negotiate and execute a food service extension with Compass Group North America-Chartwells Higher Education for residential and retail food services on campus; and, be it further

RESOLVED, that the agreement be reviewed and approved by the Vice President for Legal Affairs and General Counsel prior to execution, and be in compliance with the law and with University policies and regulations, and conform to the legal standards and policies of the Vice President for Legal Affairs and General Counsel.

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9. Attachments:

- A. Amendment Number Seven to Food Services Agreement
- B. Dining Extension Proposal

Submitted to the President
on _____, 2021 by

Glenn McIntosh
Senior Vice President for Student Affairs
and Chief Diversity Officer

Recommended on _____, 2021
to the Board for approval by

Ora Hirsch Pescovitz, M.D.
President

**AMENDMENT NUMBER SEVEN TO
FOOD SERVICES AGREEMENT**

This Amendment Number Seven to Food Services Contract effective October 1, 2019, is between Oakland University (“OU”) and Compass Group USA, Inc. by and through its Chartwells Division (“CHARTWELLS”) (collectively the “Parties”).

WHEREAS, OU and CHARTWELLS are parties to that certain Food Services Agreement made and entered into July 1, 2015, as amended by that First Amendment to Food Services Agreement dated July 1, 2016, and by that Second Amendment to Food Services Agreement dated July 1, 2017, and by that Third Amendment to Services Agreement dated January 1, 2018, and by that Fourth Amendment to Services Agreement dated July 1, 2018; and by that Fifth Amendment to Services Agreement dated September 5, 2018; and by that Sixth Amendment dated July 1, 2019 (collectively, the “Agreement”); and

WHEREAS, the Parties now desire to amend the Agreement; and

WHEREAS, this Amendment Number Seven to the Food Services Contract is intended to address financial matters in light of the COVID-19 pandemic and its effect upon the parties’ respective obligations as well as addressing those matters customarily addressed by the parties in annual amendments; and

NOW, THEREFORE, in consideration of the promises contained herein and for other good and valuable consideration, the Parties agree as follows:

1. Definitions. All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement.

2. Product Pricing.

(a) Section XIII(E)(2) (“Product Pricing”) of the Agreement is amended by inserting the following at the end of such section:

Notwithstanding the foregoing, a One and One Half percent (1.5%) annual board rate increase shall apply to the following contract years:

July 1, 2020 to June 30, 2021

July 1, 2021 to June 30, 2022

July 1, 2022 to June 30, 2023

Notwithstanding the foregoing, a Two percent (2.0%) annual board rate increase shall apply to the following contract years:

July 1, 2023 to June 30, 2024

July 1, 2024 to June 30, 2025

Price increases in subsequent contract years shall be increased a minimum of 2% per year unless otherwise mutually agreed upon in writing using CPI and ECI as guidelines for increases above 2%.

3. Signing Bonus, Commissions and Additional Payments to OU.

- (a) Pursuant to the Food Services Agreement Section XIV, CHARTWELLS paid signing bonuses to OU as well as a purchasing rebate. The following terms will apply to such payments:

CHARTWELLS previously funded a signing bonus in the amount of Four Million Dollars (\$4,000,000) (the "Original Signing Bonus"). Chartwells has been amortizing the Original Signing Bonus on a straight line basis. As of October 1, 2019, the remaining unamortized portion of the Original Signing Bonus is Two Million Three Hundred Thousand Dollars (\$2,300,000). CHARTWELLS will amortize the remaining balance of the Original Signing Bonus from October 1, 2019 until June 30, 2035 on a straight line basis. OU shall hold title to items funded by the Original Signing Bonus. If this Agreement expires or is terminated for any reason prior to the full amortization of the Original Signing Bonus, OU is liable for and promises to pay to CHARTWELLS the unamortized portion of the Original Signing Bonus immediately upon expiration or termination.

CHARTWELLS also previously funded an additional signing bonus of Five Hundred Thousand (\$500,000) Dollars (the "Additional Signing Bonus"). Chartwells has been amortizing the Additional Signing Bonus on a straight line basis. As of October 1, 2019, the remaining unamortized portion of the Additional Signing Bonus is Five Hundred Thousand Dollars (\$500,000). CHARTWELLS will amortize the remaining balance of the Additional Signing Bonus from October 1, 2019 until June 30, 2035 on a straight line basis. OU shall hold title to items funded by the Additional Signing Bonus. If this Agreement expires or is terminated for any reason prior to the full amortization of the Additional Signing Bonus, OU is liable for and promises to pay to CHARTWELLS the unamortized portion of the Additional Signing Bonus immediately upon expiration or termination.

Notwithstanding the provisions of XIII.A, CHARTWELLS also previously funded a purchasing rebate in the amount of One Million Five Hundred Thousand Dollars (\$1,500,000) (the "Original Rebate"). CHARTWELLS has been amortizing the Original Rebate on a straight line basis. As of October 1, 2019, the remaining unamortized portion of the Original Rebate is Eight Hundred Sixty-Two Thousand Five Hundred Dollars (\$862,500). CHARTWELLS will amortize the remaining balance of the Original Rebate from October 1, 2019 until June 30, 2035 on a straight line basis. OU shall hold title to items funded by the Original Rebate. If this Agreement expires or is terminated for any reason prior to the full amortization of the Original Rebate, OU is liable for and promises to pay to CHARTWELLS the unamortized portion of the Original Rebate immediately upon expiration or termination.

4. Pursuant to Section XIV.B of the Food Services Agreement, CHARTWELLS pays commissions to OU annually. The following terms shall apply to those commission payments:

- (a) Beginning in Contract Year 7, commencing on July 1, 2021, CHARTWELLS shall pay OU on an annualized basis the greater of the following: (i) Commissions of Seven Percent (7.0%) of gross sales (not including sales tax) based on monthly retail, catering and board plan sales; or (ii) a Guaranteed Commission Amount, which will be an amount equal to the previous year's paid commission.

5. Pursuant to Section XIV.C.1 of the Food Services Agreement, CHARTWELLS makes additional payments to OU of fifty five thousand dollars (\$55,000) annually. The following terms shall apply to such payments:

- (a) As further consideration, and contingent upon the Agreement being in full force and effect, neither party having given notice of termination CHARTWELLS shall make additional payments to OU of Fifty-Five Thousand Dollars (\$55,000) annually beginning on July 1 of each contract year starting July 1, 2015. As of June 30, 2020, One Hundred Twenty-Five Thousand Dollars (\$125,000) has been allocated for Student Affairs & Diversity, One Hundred Twenty-Five Thousand Dollars (\$125,000) has been allocated for the President's Fund, and Twenty-Five Thousand Dollars (\$25,000) for the President's Invitational. During the term of the Agreement beginning July 1, 2020, Four Hundred Fifty Thousand Dollars (\$450,000) shall be allocated for Student Affairs & Diversity and Three Hundred Seventy-Five Thousand Dollars (\$375,000) shall be allocated for the President's Fund. The total twenty (20) year payments shall equal One Million One Hundred Thousand Dollars (\$1,100,000).

6. Term.

- (a) Section XV.A of the Agreement is amended to delete the text of such and replace it with the following:

Subject to section B below, the term of the Agreement shall be twenty (20) years commencing on July 1, 2015, and continuing through June 30, 2035.

7. Financial Capital Investment and Installation of New Food Concepts. Section XVII.A of the Agreement is amended to delete the text of such section and replace it with the following:

CHARTWELLS agrees to expend a total amount not to exceed \$9,170,000 (the "Capital Investment") in a manner intended to benefit food service operations. The Capital Investment will be disbursed on a schedule as agreed by OU and CHARTWELLS. All expenditures of the Capital Investment shall be made at OU's sole discretion and CHARTWELLS shall have no ownership or other interest in any equipment or other goods or services purchased with the Capital Investment and, accordingly, OU shall hold title to all items funded by the Capital Investment. CHARTWELLS shall amortize each

installment of the Capital Investment listed in Appendix O on a period that begins as of the date that is the later of (i) the date of the cash disbursement, or (ii) the date the project begins to generate revenue, and ends on June 2035.

Notwithstanding the foregoing, CHARTWELLS previously funded a portion of the above Capital Investment funds through investments for capital improvements to OU's premises to facilitate OU's dining service program (included in Appendix O), in a total sum of Six Million Nine Hundred Seventy Thousand Dollars (\$6,970,000), comprised of the following: the Oakland Center Renovation in the amount of Four Million Four Hundred Eighty-Two Thousand Three Hundred Fifty-Two Dollars (\$4,482,352); the Vandenburg Refresh Phase 1 in the amount of One Million Thirty Six Thousand Nine Hundred Forty-Five Dollars (\$1,036,945); the Pawley Hall Einstein Brothers Refresh in the amount of Eighty-Five Thousand Two Hundred Thirty Nine Dollars (\$85,239); the Vandenberg Refresh Phase 2 in the amount of Three Hundred One Thousand Eight Hundred Sixty Dollars (\$301,860); the Kresge Library Starbucks in the amount of One Hundred Fifty-Six Thousand Five Hundred Six Dollars (\$156,506); the Oakland Center Convenience Store Kiosk in the amount of Nine Thousand One Hundred Eighty-Nine (\$9,189); the Oakland Center Retail Renovation in the amount of One Hundred Eighty-Seven Nine Hundred Nine Dollars (\$187,909); Pre-Opening Expenses incurred due to Oakland Center and Hillcrest Projects in the amount of Two Hundred Ten Thousand Dollars (\$210,000); the Retail Investment for the Oakland Center Plum Market in the amount of Three Hundred Fifty Thousand Dollars (\$350,000); and a Retail Refresh in the amount of One Hundred Fifty Thousand Dollars (\$150,000) (collectively, the "Prior Investments"). CHARTWELLS has been amortizing the Prior Investments on a straight line basis. As of October 1, 2019, the unamortized balance of the Prior Investments is Four Million Four Hundred Fifty-Three Thousand Eight Hundred Twenty-Six and 60/100 Dollars (\$4,453,826.60). CHARTWELLS will amortize the remaining balance of the Prior Investments from October 1, 2019 until June 30, 2035 on a straight line basis. The Prior Investments are part of the Capital Investments and are therefore subject to OU's repayment obligations upon expiration or early termination in accordance with Section XVII(C) below.

8. Amendment to add new Section XXX. Delay in Operations. Section XXX "Delay or Suspension of Operations due to COVID-19 Pandemic" is added as follows:

XXX. Delay or Suspension of Operations due to COVID-19 Pandemic

Notwithstanding anything contained to the contrary herein, the Parties acknowledge that this Amendment will be executed during the worldwide viral outbreak known as the Coronavirus pandemic ("COVID-19 Pandemic"). The Parties acknowledge that it is possible that the ongoing provision of food service operations under the Food Services Agreement could be delayed as a result of the ongoing COVID-19 Pandemic. The Parties agree that due to the COVID-19 Pandemic causing a delay in the ongoing provision of food services, OU agrees that the payment of any investment, commission, or other similar contractual payments shall be suspended and will not be accrued, and that the agreed upon financial terms under the Agreement shall also be suspended from August 1, 2020 through July 31, 2021 ("Suspension Period"). In lieu of the financial arrangements hereunder,

CHARTWELLS shall operate the food services under the Agreement on a reimbursable cost basis whereby OU shall bear the operating costs resulting from the provision of food services. In the event that sales receipts collected by CHARTWELLS are less than operating costs, OU shall pay to CHARTWELLS such difference. In the event that receipts are greater than operating costs, CHARTWELLS shall pay to OU such overage. CHARTWELLS will waive any and all management and/or administrative fees during the COVID-19 Pandemic suspension period. The operating costs will be limited to such items as food, salaries, T&B, and other direct operating expenses. Upon expiration of the Suspension Period, all investment, commission, and other similar contractual payments to be made by CHARTWELLS pursuant to the Food Services Agreement will resume. Notwithstanding the foregoing, CHARTWELLS shall continue to be responsible for the following operating costs during the Suspension Period:

- \$6,250 per month for repairs and maintenance through July 31, 2021
- \$5,796.83 per month for Blackboard fees through June 30, 2021
- \$5,970.26 per month for Blackboard fees for July 2021

In the event that any revenue is collected by CHARTWELLS, this revenue will offset any costs incurred to provide the food services during the Suspension Period. CHARTWELLS is authorized to invoice the monthly amortization/depreciation in the amount of \$52,402.38 per month for CHARTWELLS' Investments; provided however, OU shall pay for the billed amortization/depreciation expense billed during the COVID-19 Pandemic suspension period in one lump sum upon expiration or termination of the Agreement.”

9. Amendment of Appendix D – Catering Rates. Appendix D of the Agreement is amended by inserting the following at the end of such appendix:

The parties agree that commencing in the 2020-2021 school year, Chartwells shall increase the Standard and Executive Catering Prices by Two and One-half Percent (2.5%) and Student Catering prices by One Percent (1%).

10. Amendment of Appendix E. Appendix E of the Agreement is amended by deleting it in its entirety and replacing it with Appendix E attached hereto and made a part hereof.

11. Amendment of Appendix F. Appendix F of the Agreement is amended by deleting it in its entirety and replacing it with Appendix F attached hereto and made a part hereof.

12. Amendment of Appendix G. Appendix G of the Agreement is amended by deleting it in its entirety and replacing it with Appendix G attached hereto and made a part hereof.

13. Amendment of Appendix K. Appendix K of the Agreement is amended by deleting it in its entirety and replacing it with Appendix K attached hereto and made a part hereof.

14. Amendment of Appendix L – 2020-2021 Fall/Winter Board Rates. Appendix L of the Agreement is deleted and replaced with Appendix L attached to this amendment.

15. Amendment of Appendix O. Appendix O of the Agreement is deleted and replaced with Appendix O attached to this amendment.

16. Confirmation and Integration. Except as expressly amended by this Amendment, the parties hereby confirm and ratify the Agreement in its entirety. The Agreement, as amended hereby, constitutes the entire agreement between the parties and their predecessors pertaining to the subject matter of the Agreement, as so amended, and supersedes all prior and contemporaneous agreements and understandings of the parties and their predecessors in connection therewith.

17. Counterparts. This Amendment may be executed in any number of counterparts, each of which shall constitute an original and all of which together shall constitute but one and the same original document.

18. Headings. The section headings herein are for convenience only and do not define, limit or construe the contents of such sections.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be signed by their duly authorized officers, all done the day and year first above written.

OAKLAND UNIVERSITY

COMPASS GROUP USA, INC. by and through its Chartwells Division

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

APPENDIX E

Conference / Camp Rates (July 1, 2020 - June 30, 2021)

Chartwells will bill OU at a daily rate of \$23.82 per person for all weekday and weekend residential conferences except for any state funded or federally funded programs which prohibit the charging of differential residential rates, in which cases OU shall be billed the established Spring/Summer board rate. In special cases, and upon mutual agreement, OU and Chartwells may agree to rates other than these.

If on any day during the conference/camp season less than three meals are served to conference/camp patrons, Chartwells shall bill OU only for the meals served to the conference/camp patrons at the following guest meal rates.

Breakfast:	\$8.52
Lunch:	\$9.12
Dinner:	\$10.82

APPENDIX F

Board and Retail Service Hours 2020 - 2021
 (Unless otherwise mutually agreed on by the parties in writing)
 Fall - Winter Hours

Operation	Monday - Thursday	Friday	Saturday/Sunday
Vandenberg Dining Hall	7:00am - 8:00 pm	7:00am - 7:00 pm	10:00am - 7:00pm
Hillcrest Dining Hall	7:00am - 8:00 pm	7:00am - 7:00 pm	11:00am – 6 pm
Tilly's Convenience Store	7:30am - 10:00 PM	7:30am - 10:00pm	10:00am - 10:00pm
The Hive	7:30am - 10:00 PM	7:30am - 10:00pm	10:00am - 10:00pm
The Halal Shack	10:00am - 5:00pm	10:00am – 3:00:00pm	Closed
Subway	10:00am - 7:00pm	10:00am - 5:00pm	Closed
Panda Express	10:00am - 7:00pm	10:00am – 3:00:00pm	Closed
Boost Pickup	10:30a – 6:30	10:00 am until 4:30	Closed
Plum Market	Closed	Closed	
Zingermans at Plum Market	7:30a -5:00	7:30a - 3:00	Closed both days
The Grizz Express	7:30a – 5pm	7:00a- 5:00p	Closed
Pawley Hall	Closed	Closed	Closed
Elliott Hall	Closed	Closed	Closed
Human Health Building	Closed	Closed	Closed
Library	7:30a- 9:00pm	7:30a - 3:00pm	Closed both days

Appendix F
Summer Semester (Sessions Full and Summer 1&2) Retail Service Hours 2020 - 2021

Operation	Monday - Thursday	Friday	Saturday/Sunday
Tilly's Convenience Store	Closed	Closed	Closed
Hillcrest Retail Location	Closed	Closed	Closed
Moe's Southwest Grill	Closed	Closed	Closed
Subway	10:30am - 3:00pm	10:30am - 3:00pm	Closed
Panda Express	10:30am - 3:00pm	10:30am - 3:00pm	Closed
Create/ Wild Blue	Closed	Closed	Closed
Plum Market	Closed	Closed	Closed
Zingermans at Plum Market	7:30am - 3:00pm	7:30am - 3:00pm	Closed
The Grizz Express	8:30a - 4:30p	9:00a - 5p	Closed
Pawley Hall	Closed	Closed	Closed
Elliott Hall	Closed	Closed	Closed
Human Health Building	Closed	Closed	Closed
Engineering Center	Closed	Closed	Closed
Library	8:30a - 4:30p	8:30a - 2:30p	Closed

Appendix F
OU Official Break Service Hours 2020 - 2021

Operation	Monday - Thursday	Friday	Saturday/Sunday
Tilly's Convenience Store	Closed	Closed	Closed
Hillcrest Retail Location	Closed	Closed	Closed
The Halal Shack	Closed	Closed	Closed
Subway	10:30am - 3:00pm	10:30am - 3:00pm	Closed
Panda Express	Closed	Closed	Closed
Create	Closed	Closed	Closed
Plum Market	Closed	Closed	Closed
Zingermans at Plum Market	7:30a - 3:00p	7:30a - 3:00p	Closed
The Bear Cave	Closed	Closed	Closed
The Grizz Express	8:30a - 5:00p	8:30a - 5:00p	Closed
Pawley Hall	Closed	Closed	Closed
Elliott Hall	Closed	Closed	Closed
Human Health Building	Closed	Closed	Closed
Engineering Center	Closed	Closed	Closed
Library	Closed	Closed	Closed

APPENDIX G

Appendix G
Food Service Calendar - Summary of Operation hours 2020 - 2021

Dates	OU Activity	Residential Hours schedule	Retail Hours Schedule
August 30, 2020	Residents move in	1/2 board day open Dining Halls and Retails at 11:30 am. Retail open for C-store only	Retail Break Hours
September 3, 2020	First day of classes	Full board day	Fall/Winter hours
September 7, 2020	Labor Day	Full Board day	Retail Closed
September 8, 2020	Classes resume	Full Board Day	Fall/Winter hours
October 16, 2020	No classes	Full board day	Retail Break Hours
October 19, 2020	Classes resume	Full board day	Fall/Winter hours
November 25, 2020	Thanksgiving recess begins	Close dining halls at 2pm. Both Retail locations in the	All Retail Closes at 5 pm; The Grizz closes at 5pm
November 26 - 29, 2020	Thanksgiving Break	Open Dining Halls at 4pm on Sunday. Both retail locations open 4pm.	OC is Closed. All Retail Closed.
November 30, 2020	Return from Thanksgiving break	Full Board Day	Fall/Winter hours
December 8, 2020	Study Day	Full Board Day	Retail Break Hours
December 15, 2020	Last board day (last day of exams)	Close dining halls 6pm; Close retail 5pm	Library close 5pm, remaining satellites 3pm , Food Court closes 5pm; Grizz 8 pm close
December 16 - 20	Break period between semesters	Closed	Retail Break Hours, closed the 19th and 20th
December 21, 2020 - January 1, 2021	University closed	Closed	Closed
January 4-5, 2021	Break period between semesters	Closed	Retail Break Hours
January 5, 2021	Residents move in	Dining halls 4-11pm; Both retail 3pm - 2am	Retail Break Hours
January 6, 2021	Classes Begin 7:30 am	All Operations Fall/Winter Hours	Fall/Winter hours
January 18, 2021	MLK Day	Full board day; all housing operations open as normal	Retail Break hours with Library open (9a-3p)
February 19, 2021	Housing Closes for Winter Break	Close dining halls 6pm; Close both retail 5pm	Satellites close at 3pm. OC retail closes at 5pm
February 28, 2021	Return from winter break	Open Dining Halls 4-11 Half Board Day,	No Retail open
April 4, 2021	Easter	Full board day	Open Library as normal. All other retail closed
April 27, 2021	Finals End Winter Recess	Dining halls Close 6pm; retails close at 5pm	Library close 5pm, remaining satellites 3pm , Food Court and Bears Cave close 5pm; Grizz 8 pm close
May 1, 2021	Commencements	Closed	Zingermans 7:30a-5p;
May 3 - 7, 2021	Break period between semesters	Closed	Break hours begin
May 10, 2021	Summer 1 classes begin	Summer Board program begins	Summer hours begin

APPENDIX K

2020-2021 SUMMER BOARD PLAN

(July 1, 2020 - June 30, 2021)

The 2019 Summer Session 1 and Summer Session 2 board plan will be comprised of a meal plan offering 10 meals per week. The 16 Week Summer Session (full session) is comprised of the same offerings as Summer Sessions 1 and 2.

Summer Session 1 Ten Meal Plan

Each resident on this plan may receive ten meals per week served in either the Vandenberg Dining Center or the Oakland Center.

Summer Session 2 Ten Meal Plan

Each resident on this plan may receive ten meals per week served in either the Vandenberg Dining Center or the Oakland Center.

2020 summer charge to Residence Halls: \$15.61 per day, per student.

If at any time during the summer semester less than a full day of meals is served to board students, CHARTWELLS will bill OU only for those meals served, according to the following breakdown of the normal daily board rate:

Breakfast	one-sixth
Lunch	two-sixths
Dinner	three-sixths

APPENDIX L

Oakland University
2020 & 2021 Fall/Winter board rates
Average Daily Rate Sliding Scale

3710	&	higher	10.847
3660	-	3709	10.868
3610	-	3659	10.890
3560	-	3609	10.911
3510	-	3559	10.932
3460	-	3509	10.953
3410	-	3459	10.974
3360	-	3409	10.995
3310	-	3359	11.016
3260	-	3309	11.037
3210	-	3259	11.058
3160	-	3209	11.080
3110	-	3159	11.101
3060	-	3109	11.122
3010	-	3059	11.143
2960	-	3009	11.190
2910	-	2959	11.206
2860	-	2909	11.218
2810	-	2859	11.233
2760	-	2809	11.251
2710	-	2759	11.257
2660	-	2709	11.269
2610	-	2659	11.283
2560	-	2609	11.327
2510	-	2559	11.383
2460	-	2509	11.438
2410	-	2459	11.494
2360	-	2409	11.550
2310	-	2359	11.606
2260	-	2309	11.662
2210	-	2259	11.718
2160	-	2209	11.774
2110	-	2159	11.830
2060	-	2109	11.886
2010	-	2059	11.942
1960	-	2009	11.998
1910	-	1959	12.054
1860	-	1909	12.110
1810	-	1859	12.166

The minimum number of board plan feeding days in each Contract Year shall be 210 or as may otherwise be mutually agreed upon by the parties. Due to the COVID-19 Pandemic situation, for Contract Year 7, the above sliding scale will be based on the 1810-1859 level above. If at any time during Contract Year 7, the total number of students enrolled in a meal plan is less than the base sliding scale level of 1810-1859, the parties agree to negotiate in good faith and reach agreement by the conclusion of the affected academic year to implement a mutually agreeable financial arrangement that addresses the impact of such student enrollment.

Beginning in Contract Year 8 and continuing through the remainder of the Agreement, the sliding scale will be based upon the 2010-2059 level above. If at any time during the term of the Agreement the total number of students enrolled in a meal plan is less than the base sliding scale level of 2010-2059, the parties agree to negotiate in good faith and reach agreement by the conclusion of the affected academic year to implement a mutually agreeable financial arrangement that addresses the impact of such student enrollment.

DRAFT

APPENDIX O

TWENTY YEAR REFRESHING PLAN (REVISED)

	Project	Implementation Timeline	Vendor Investment
Oakland Center	Renovation: Food court, Furniture, ABP and bear Cave	Sep-15	4,482,352
Vandenberg	Refresh Phase 1	Sep-16	1,036,945
Pawley Hall	Remodel Einstein Brs Satellite	Sep-16	85,239
Vandenberg	Refresh Phase 2	Sep-17	301,860
Kresge Library	Starbuck we Proudly Serve	Sep-17	156,506
Retail	Oakland Center Convenience Store Kiosk	Sep-17	9,189
Retail	Oakland Center Renovation	Sep-18	187,909
Pre-Opening	Expenses incurred due to OC and Hillcrest Projects	Sep-18	210,000
Retail	Investment for OC retail (Plum Market)	Sep-18	350,000
TBD	Retail Refresh	Sep-18	150,000
Retail	Halal Shack	Jan-20	100,000
Retail	CFA Transition	Jul-20	400,000
Technology	Boost Mobile Ordering	Jul-20	50,000
TBD	Residential Dining Refresh	Jul-24	750,000
TBD	Refresh	Jul-28	400,000
TBD	Refresh	Jul-31	250,000
TBD	Refresh	Jul-33	250,000
TOTAL 20 YEAR PROJECT COST			9,170,000

APPENDIX O

TWENTY YEAR REFRESHING PLAN (REVISED) (cont'd)

Equipment Replacement Fund	
Year 1	\$38,425
Year 2	\$40,818
Year 3	\$43,102
Year 4	\$39,024
Year 5	\$41,211
Years 6 - 20	\$20,000

Smallwares Replacement Fund	
Year 1	\$21,000
Year 2	\$45,000
Year 3	\$45,000
Year 4	\$44,000
Year 5	\$45,000
Years 6 – 12	\$40,000
Years 13 – 20	\$50,000

DRAFT

OAKLAND
UNIVERSITY.



Dining Extension

PROPOSAL

PRESENTED BY

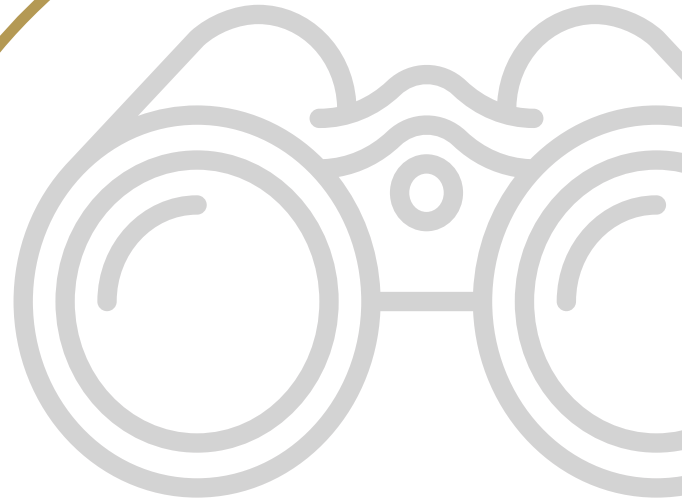
chartwells 

JANUARY 15, 2021



This proposal, designed specifically for Oakland University is confidential and proprietary to Compass Group USA Inc. (Compass). Any unauthorized dissemination to others outside your organization would irreparably harm Compass and entitle Compass to judicial equitable relief, including injunction and specific performance. This proposal is valid for 120 days after its presentation and/or delivery to you.

EXECUTIVE Summary



THE VALUE OF OUR PARTNERSHIP

Since 2002, Chartwells has worked in concert with Oakland University as forward-thinking partners to align with your goals to best serve the needs of your students, faculty, staff and guests. We have done so by staying focused on actively listening to our customers and continuously improving our services while being flexible and moldable to the ever-changing climate we have experienced together this past year with the pandemic. Plum Market, Wild Blue Poke Bowl, Foodworks and last year's opening of The Halal Shack demonstrates our commitment to Oakland University's students and our ongoing desire to achieve operational excellence.

We appreciate your interest in working with Chartwells as we strive to provide a financial model that works effectively for both of us. As we worked through the various financial scenarios, our goal remains to bring value and a return to Oakland University and to resolve Chartwells' financial picture for the remainder of the extended contract. The addition of Hillcrest Dining Hall was certainly a win for the students; however, it added \$1.3 million in expenses for us without the required number of additional boarding students to offset the costs. The impact of removing Chick-fil-A and replacing it with an external brand, which will open in fall 2021, is unknown. Our Chartwells retail marketing team tells us we can expect a significant drop in cash and credit sales. Needless to say, we will do everything feasible to avoid this financial impact, but acting as good stewards, we need to plan accordingly. As your partner, we take great pride in effectively managing with a proactive mindset and being a leader at Oakland University during the tenure of our agreement.

OUR OFFER

We have an outline to take our partnership to 2035 that would remedy the current financial landscape, retain capital dollars to change out Chick-fil-A to a brand more in line with the diverse culture on Oakland's campus and continue to provide a return to the university. We have the ongoing support of our parent company, Compass Group, consistently providing fiscally sound solutions to Oakland University while setting new standards for best-in-class service, ever-evolving health and wellness initiatives, sustainable practices, culinary excellence, continuous innovation, community service and generating personalized learning opportunities.

Oakland Offer – 10-Year Extension

\$2,200,000 – Capital (see chart on the next page)

- \$1,650,000 – Refresh dining locations.
- \$400,000 – Retail (Summer 2021).
- \$100,000 – The Halal Shack (December 2019).
- \$50,000 – Boost mobile (completed fall 2020 for Oakland Center locations). Boost is our proprietary mobile app designed in-house to meet busy students' needs and reducing wait times. It allows them to order ahead and pay for customized meals at favorite campus dining locations.

Retail

- Replace Chick-fil-A with an external brand.

Meal Plan Increases

- Board rate increases of 1.5% for contract years 6, 7 and 8. For contract years 9 and 10, the rate will not go above 2%. For contract years 11 – 20 (extension period) the board rate increase will be 2% unless mutually agreed considering the CPI and ECI Indexes. This is estimated to save the university housing department over 12 million dollars during this new contract term.

Commission Guarantee to Oakland University

- Commission to be 7% of total sales for the life of the contract. Beginning in Year 7 of the contract, guaranteed not to be lower than the previous year.

Blackboard Maintenance

- No change to the existing Blackboard maintenance agreement.
- In Years 11-20, 3% increase annually.

Blackboard Replacement

- \$20,000 annual spend to replace Blackboard equipment to achieve Oakland University's needs.

Smallwares

- In Years 6-12, cap smallwares replacement at \$40,000.
- In Years 13-20, cap smallwares replacement at \$50,000.

Other Service Updates

- Music will be added to Hillcrest Dining beginning fall 2021.
- Late-night service will be eliminated with dinner hours extended by one hour at three concepts in both dining halls Sunday through Thursday.
- Tilly's and The Hive to close at 10 p.m. daily.

Other Contract Updates

- Due to the pandemic, Oakland agrees to pay costs for 2021 excluding \$517,332 in depreciation and amortizations which will be due at the end of the contract.

FINANCIAL CHART

Proposed with 10 year extension									
Contract year	Total	Estimated Override	Estimated Commission (7%)	Blk B. Maint	Blk. B Replace	Smallwares	Donations	Repairs	Capex
6	\$ 3,784,651	\$ 2,634,448	\$ 311,233	\$ 69,556	\$ 20,000	\$ 40,000	\$ 55,000	\$ 104,413	\$ 550,000
7	\$ 3,584,402	\$ 2,673,965	\$ 616,152	\$ 71,643	\$ 20,000	\$ 40,000	\$ 55,000	\$ 107,642	
8	\$ 3,790,639	\$ 2,714,074	\$ 776,801	\$ 73,792	\$ 20,000	\$ 40,000	\$ 55,000	\$ 110,972	
9	\$ 4,618,068	\$ 2,768,356	\$ 795,118	\$ 76,006	\$ 20,000	\$ 40,000	\$ 55,000	\$ 113,588	\$ 750,000
10	\$ 3,947,808	\$ 2,823,723	\$ 814,449	\$ 78,286	\$ 20,000	\$ 40,000	\$ 55,000	\$ 116,350	
11	\$ 4,029,284	\$ 2,880,198	\$ 834,270	\$ 80,635	\$ 20,000	\$ 40,000	\$ 55,000	\$ 119,181	
12	\$ 4,112,534	\$ 2,937,801	\$ 854,594	\$ 83,054	\$ 20,000	\$ 40,000	\$ 55,000	\$ 122,085	
13	\$ 4,607,598	\$ 2,996,557	\$ 875,433	\$ 85,545	\$ 20,000	\$ 50,000	\$ 55,000	\$ 125,062	\$ 400,000
14	\$ 4,294,517	\$ 3,056,489	\$ 896,802	\$ 88,112	\$ 20,000	\$ 50,000	\$ 55,000	\$ 128,115	
15	\$ 4,383,331	\$ 3,117,618	\$ 918,713	\$ 90,755	\$ 20,000	\$ 50,000	\$ 55,000	\$ 131,245	
16	\$ 4,724,085	\$ 3,179,971	\$ 941,182	\$ 93,478	\$ 20,000	\$ 50,000	\$ 55,000	\$ 134,455	\$ 250,000
17	\$ 4,566,822	\$ 3,243,570	\$ 964,224	\$ 96,282	\$ 20,000	\$ 50,000	\$ 55,000	\$ 137,746	
18	\$ 4,911,586	\$ 3,308,442	\$ 987,852	\$ 99,170	\$ 20,000	\$ 50,000	\$ 55,000	\$ 141,122	\$ 250,000
19	\$ 4,758,423	\$ 3,374,610	\$ 1,012,084	\$ 102,145	\$ 20,000	\$ 50,000	\$ 55,000	\$ 144,583	
20	\$ 4,882,802	\$ 3,442,103	\$ 1,062,364	\$ 105,210	\$ 20,000	\$ 50,000	\$ 55,000	\$ 148,125	
Total	\$ 64,996,551	\$ 45,151,926	\$ 12,661,271	\$ 1,293,670	\$ 300,000	\$ 680,000	\$ 825,000	\$ 1,884,684	\$ 2,200,000

BOARD PAYMENT

	CY	Fall 20	Fall 21	Fall 22	Fall 23	Fall 24	Fall 25	Fall 26	Fall 27	Fall 28	Fall 29	Fall 30	Fall 31	Fall 32	Fall 33	Fall 34	Total
		Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	
Example A - 3% Growth	6,057	6,330	6,520	6,715	6,917	7,124	7,338	7,558	7,785	8,019	8,259	8,507	8,762	9,025	9,296	9,575	117,731
CHE Board Revenue		4.5%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
Example B - 3% Growth from Year 6	6,057	6,148	6,240	6,334	6,461	6,590	6,722	6,856	6,993	7,133	7,276	7,421	7,570	7,721	7,876	8,033	105,375
CHE Board Revenue		1.5%	1.5%	1.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
Benefit to Client/Customer		182	279	381	456	534	616	702	792	885	983	1,086	1,192	1,304	1,420	1,542	12,356



Chartwells will continue to provide Oakland University with the lowest risk, the best financial return and the guarantee of delivering results. We must and will continue to:

1. Deliver innovative brands and programs that can change.
2. Provide best-in-class facilities for the residential dining program.
3. Transform the current and future retail and residential portfolio.
4. Provide the on-site leadership to effectively manage the business.

CHARTWELLS' COMMITMENT

Our partnership with Oakland University has been built on trust, open and honest communications and compromise, which produces the best results – Chartwells will never lose sight of why we are here. Our commitment and passion for Oakland University runs deep, as evidenced in our shared goals, such as the attraction and retention of the finest students. To accomplish this, it takes a strong financial commitment from a partner that is as focused on delivering excellence as you are. Our solution-based offer draws on our intellectual knowledge of Oakland University's inner workings and is based upon what is important to you and includes a 10-year extension and a contractual agreement update. Every facet of our offer is customized and designed to be innovative, best in class and sustainable over time, making sure our existing programs and service expectations are meeting your needs on the ever-growing campus of Oakland University.

TRUSTED PARTNER

Over the past 19 years, you have counted on Chartwells during the toughest of times. Our entire team is ready for and committed to the opportunities and challenges that lay ahead. We understand what is important to Oakland University and believe in complete transparency. Our clients tell us we stand apart from our competition with our cultural awareness, innovation and entrepreneurial spirit, flexible programs, comprehensive training and superior quality.

You have the personal commitment of our president and CEO, Lisa McEuen, as well as the commitment of our entire organization, that Chartwells will deliver on all of our promises and continue to position Oakland University as the premier dining program in higher education. We appreciate the opportunity to present our financial plan and look forward to continuing our journey of accomplishing great things together.





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