

**Agendum
Oakland University
Board of Trustees Formal Session
December 1, 2014**

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

1. **Division and Department:** Student Affairs and Enrollment Management.
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, Café O’Bear’s, Grizz Express, Vandenberg Dining Centers, OutTakes (Pawley Hall), Tim and Marsha Healy Café (Elliott Hall), Suzanne O. Frankie Café (Kresge Library), Atrium Café (Human Health Building), Einstein Bros Bagel (Engineering Center), and Oak View convenience store.

In anticipation of the contract expiration on June 30, 2015, the University retained the services of a food service consultant, Envision Strategies, for the purpose of assisting with the development of a Request for Proposal (RFP), the analysis of bid submittals and evaluation of existing campus food facilities.

The RFP was released in June, 2014. The process generated four proposals (Aramark, AVI Food Systems, Chartwells, Sodexo).

A ten member committee consisting of students and staff, with assistance from Envision Strategies, reviewed proposals and analyzed operational and financial aspects. As part of this process three food service entities (Aramark, Chartwells, Sodexo) were interviewed by the committee. A sub-group visited nearby campuses to inspect and observe food operations. Committee members included:

Liz Iwanski, Vice President Student Congress (student representative)
James Buzzo, Resident Hall Association Chair (student representative)
Glenn McIntosh, Interim Vice President for Student Affairs and Enrollment
Management
Tom LeMarbe, Assistant Vice President Finance
Richard Fekel, Director Oakland Center
Peggy Cooke, Assistant Vice President Academic Affairs
Maria Ebner-Smith, Purchasing Manager
Judy Burton, Purchasing Buyer
Jim Zentmeyer, Director University Housing
Debra Middlebrook, Associate Director Finance and Housing

**Approval of Authorization for Residential and
Retail Food Services on Campus
Oakland University
Board of Trustees Formal Session
December 1, 2014
Page 2**

Proposals were compared on the basis of: 1) responsiveness to RFP requirements; 2) overall program vision and quality; 3) management strength; and 4) financial plan.

The committee recommends Chartwells be retained due to its program most closely meeting these selection criteria as follows:

- a) The strongest focus on improvements in the retail, residential, and catering operations.
- b) Creative vision of facility improvements.
- c) A realistic projection of account sales.
- d) Regional and on-site management experience and commitment.
- e) Overall, the financial proposal yields the highest financial return to the University through a signing bonus, purchasing rebate, capital investment, and guaranteed commissions.

Over a ten-year period Chartwells will fund \$7,820,000 in capital investment improvements including:

- a) Food court renovations designed to reduce congestion, improve speed of service and provide a mix of regional and national brands.
- b) A mobile food truck to be introduced as part of the retail dining program.
- c) Updates to Vandenberg Dining Center with refreshed concepts and additional seating.
- d) A dedicated lower level dining facility and renovated coffee shop in the Oakland Center.
- e) Renovations and updates at each satellite food operation over the life of the contract.

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.

**Approval of Authorization for Residential and
Retail Food Services on Campus
Oakland University
Board of Trustees Formal Session
December 1, 2014
Page 3**

4. **Budget Implications:** Refer to Attachment A for major financial components of the proposal including five and ten-year net present value calculations.

5. **Educational Implications:** The proposed relationship between the University and Chartwells will provide a robust residential and retail dining experience to meet the needs and expectations of students. The food options and venue enhancements 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, Envision Strategies, Interim Vice President for Student Affairs and Enrollment Management, Vice President for Finance and Administration, and President.

8. **Recommendation:**

RESOLVED, that the Interim Vice President for Student Affairs and Enrollment Management be authorized to negotiate and execute a food services agreement 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 Council 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 Council.

**Approval of Authorization for Residential and
Retail Food Services on Campus
Oakland University
Board of Trustees Formal Session
December 1, 2014
Page 4**

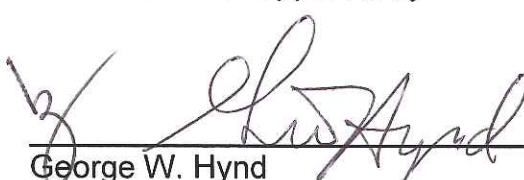
9. Attachments: A. Dining Services RFP Financial Summary

Submitted to the University President
on 11/19, 2014 by



Glenn McIntosh
Interim Vice President for Student Affairs
and Enrollment Management

Recommended on 11/19/14, 2014
to the Board for approval by



George W. Hynd
President

ATTACHMENT A

**Oakland University
Dining Services RFP
Financial Summary**

	<u>Aramark</u>	<u>Chartwells</u>	<u>Sodexo</u>
<u>Year 1</u>			
Capital Investment	\$ 3,700,000	\$ 4,920,000	\$ 4,514,441
Upfront Purchasing Rebates	-	1,500,000	-
Signing Bonus	1,000,000	4,000,000 ¹	-
5-Year Net Present Value ²	\$ 23,193,866	\$ 25,791,829	\$ 18,769,486
10-Year Net Present Value ²	\$ 39,473,062	\$ 39,759,741	\$ 31,458,739
10-Year Capital Investment	\$ 5,300,000	\$ 7,820,000	\$ 7,456,279

¹ Intent is to dedicate funding toward Oakland Center expansion

² Net present value calculations include all cash flow items to the University