

**BOARD OF REGENTS**  
**EASTERN MICHIGAN UNIVERSITY**

<b>SECTION: 26</b>
<b>DATE:</b> June 21, 2016

**RECOMMENDATION**

**UNIVERSITY DINING SERVICES AGREEMENT**

**ACTION REQUESTED**

It is recommended that the Board of Regents authorize the President to execute an agreement for the University to contract with Compass Group North America – Chartwells Higher Education (Chartwells) to provide residential, retail, and catering food services. The agreement is for a ten (10) year term, commencing July 1, 2016.

**STAFF SUMMARY**

The University initiated an RFP in April 2016 for all food service operations on campus. Proposals were evaluated based upon 1) responsiveness to RFP requirements; 2) overall program vision and quality; and 3) financial plan. Within the RFP requirements, special consideration was given to ensuring employment opportunities for current employees, incorporation of student preferences, commitment to sustainability and collaboration with the local community.

The recommended agreement provides that all current EMU dining employees will remain EMU employees, with salaries and benefits in accordance with current applicable collective bargaining agreements.

The partnership will result in a true transformation of campus-wide dining and dining services that will be appealing to current and prospective students, and to our employees. Over the 10-year period, Chartwells will fund over \$18.0 million in capital improvements and programmatic capital updates. These investments will greatly enhance the choices that students, faculty and staff have in dining options on campus. Chartwells will also continue to support student employment, Graduate Assistantships, as well as meeting the needs of EMU academic programs

**FISCAL IMPLICATIONS**

The University expects to realize \$40 million in Net Present Value over the life of the agreement. A summary of the key impacts is provided in Attachment A. The fiscal implications of the agreement are incorporated in the Recommended FY17 Auxiliary Fund Budget.

**ADMINISTRATIVE RECOMMENDATION**

The proposed Board action has been reviewed and is recommended for Board approval.

**Dining Services Proposal**  
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<b>Key Economic Features</b>	<b><u>10 Year Contract Total</u></b>		
Signing Bonus	\$	5,000	
Capital Investment	\$	18,062	Initial Capital Funds, plus programmatic refresh funds beginning year 4.
Retail	\$	21,845	% Commission on "Retail" sales (guaranteed)
Scholarships	\$	2,515	Accounts for current GA scholarships
Internships	\$	712	Accounts for GA Salaries
Net Present Value	\$	40,000	Compared to current Operations
Student Employment (hrs)		230,000	Current levels