



UNIVERSITY  
OF KENTUCKY

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Purchasing Division

Request for Proposal

UK-1305-14

Proposal Due Date- 11/04/2013

Operation and Management of  
University of Kentucky (UK) Dining



# UNIVERSITY OF KENTUCKY

## Purchasing Division

### REQUEST FOR PROPOSAL (RFP)

**ATTENTION: This is not an order. Read all instructions terms and conditions carefully.**

<b>PROPOSAL NO.:</b>	<b>UK-1305-14</b>	<b>RETURN ORIGINAL COPY OF PROPOSAL TO:</b>
<b>Issue Date:</b>	<b>September 12, 2013</b>	<b>UNIVERSITY OF KENTUCKY</b>
<b>Title:</b>	<b>Operation &amp; Management of UK Dining</b>	<b>PURCHASING DIVISION</b>
<b>Purchasing Officer:</b>	<b>Wendy H. Brown</b>	<b>411 S LIMESTONE</b>
<b>Phone:</b>	<b>(859) 257-5404</b>	<b>ROOM 322 PETERSON SERVICE BLDG.</b>
		<b>LEXINGTON, KY 40506-0005</b>
<b>IMPORTANT: PROPOSALS MUST BE RECEIVED BY: November 4, 2013 3:00 P.M. Lexington, KY time.</b>		

#### NOTICE OF REQUIREMENTS

- The University's General Terms and Conditions and Instructions to Bidders, viewable at [www.uky.edu/Purchasing/terms.htm](http://www.uky.edu/Purchasing/terms.htm), apply to this Request for Proposal. When the Request for Proposal includes construction services, the University's General Conditions for Construction and Instructions to Bidders, viewable at [www.uky.edu/Purchasing/ccphome.htm](http://www.uky.edu/Purchasing/ccphome.htm), apply to the Request for Proposal.
- Contracts resulting from this RFP must be governed by and in accordance with the laws of the Commonwealth of Kentucky.
- Any agreement or collusion among Offerors or prospective Offerors, which restrains, tends to restrain, or is reasonably calculated to restrain competition by agreement to bid at a fixed price or to refrain from offering, or otherwise, is prohibited.
- Any person who violates any provisions of KRS 45A.325 shall be guilty of a felony and shall be punished by a fine of not less than five thousand dollars nor more than ten thousand dollars, or be imprisoned not less than one year nor more than five years, or both such fine and imprisonment. Any firm, corporation, or association who violates any of the provisions of KRS 45A.325 shall, upon conviction, may be fined not less than ten thousand dollars or more than twenty thousand dollars.

#### AUTHENTICATION OF BID AND STATEMENT OF NON-COLLUSION AND NON-CONFLICT OF INTEREST

I hereby swear (or affirm) under the penalty for false swearing as provided by KRS 523.040:

- That I am the Offeror (if the Offeror is an individual), a partner, (if the Offeror is a partnership), or an officer or employee of the bidding corporation having authority to sign on its behalf (if the Offeror is a corporation);
- That the attached Proposal has been arrived at by the Offeror independently and has been submitted without collusion with, and without any agreement, understanding or planned common course of action with, any other Contractor of materials, supplies, equipment or services described in the Request for Proposal, designed to limit independent bidding or competition;
- That the contents of the Proposal have not been communicated by the Offeror or its employees or agents to any person not an employee or agent of the Offeror or its surety on any bond furnished with the Proposal and will not be communicated to any such person prior to the official closing of the RFP;
- That the Offeror is legally entitled to enter into contracts with the University of Kentucky and is not in violation of any prohibited conflict of interest, including those prohibited by the provisions of KRS 45A.330 to .340, 164.390, and
- That the Offeror, and its affiliates, are duly registered with the Kentucky Department of Revenue to collect and remit the sale and use tax imposed by Chapter 139 to the extent required by Kentucky law and will remain registered for the duration of any contract award.
- That I have fully informed myself regarding the accuracy of the statement made above.

#### SWORN STATEMENT OF COMPLIANCE WITH CAMPAIGN FINANCE LAWS

In accordance with KRS45A.110 (2), the undersigned hereby swears under penalty of perjury that he/she has not knowingly violated any provision of the campaign finance laws of the Commonwealth of Kentucky and that the award of a contract to a bidder will not violate any provision of the campaign finance laws of the Commonwealth of Kentucky.

#### CONTRACTOR REPORT OF PRIOR VIOLATIONS OF KRS CHAPTERS 136, 139, 141, 337, 338, 341 & 342

The Contractor by signing and submitting a Proposal agrees as required by 45A.485 to submit final determinations of any violations of the provisions of KRS Chapters 136, 139, 141, 337, 338, 341 and 342 that have occurred in the previous five (5) years prior to the award of a contract and agrees to remain in continuous compliance with the provisions of the statutes during the duration of any contract that may be established. Final determinations of violations of these statutes must be provided to the University by the successful Contractor prior to the award of a contract.

#### CERTIFICATION OF NON-SEGREGATED FACILITIES

The Contractor, by submitting a Proposal, certifies that he/she is in compliance with the Code of Federal Regulations, No. 41 CFR 60-1.8(b) that prohibits the maintaining of segregated facilities.

**SIGNATURE REQUIRED:** This Proposal cannot be considered valid unless signed and dated by an authorized agent of the offeror. Type or print the signatory's name, title, address, phone number and fax number in the spaces provided. Offers signed by an agent are to be accompanied by evidence of his/her authority unless such evidence has been previously furnished to the issuing office.

<b>DELIVERY TIME:</b>	<b>NAME OF COMPANY:</b>	<b>DUNS #</b>
<b>PROPOSAL FIRM THROUGH:</b>	<b>ADDRESS:</b>	<b>Phone/Fax:</b>
<b>PAYMENT TERMS:</b>	<b>CITY, STATE &amp; ZIP CODE:</b>	<b>E-MAIL:</b>
<b>SHIPPING TERMS: F.O.B. DESTINATION - PREPAID AND ALLOWED</b>	<b>TYPED OR PRINTED NAME:</b>	<b>WEB ADDRESS:</b>
<b>FEDERAL EMPLOYER ID NO.:</b>	<b>SIGNATURE:</b>	<b>DATE:</b>

## Table of Contents

		<b>Page</b>
<b>1.0</b>	<b>Definitions</b>	<b>6</b>
<b>2.0</b>	<b>General Overview</b>	<b>7</b>
2.1	Intent and Scope	7-9
2.2	Background Information	9-10
2.3	University Information	11-12
2.4	University Dining Facilities and Services	12-14
<b>3.0</b>	<b>Proposal Requirements</b>	
3.1	Key Event Dates	15
3.2	Offeror Communication	15
3.3	Pre-Proposal Conference	15-16
3.4	Offeror Presentations	16
3.5	Preparation of Offers	16
3.6	Proposed Deviations from the Request for Proposal	16
3.7	Proposal Submission and Deadline	17
3.8	Modification or Withdrawal of Offer	17
3.9	Acceptance or Rejection and Award of Proposal	17
3.10	Rejection	17-18
3.11	Addenda	18
3.12	Disclosure of Offeror's Response	18
3.13	Restrictions on Communications with University Staff	18
3.14	Cost of Preparing Proposal	19
3.15	Disposition of Proposals	19
3.16	Alternate Proposals	19
3.17	Questions	19
3.18	Section Titles in the RFP	19
3.19	No Contingent Fees	19
3.20	Proposal Addenda and Rules for Withdrawal	19
<b>4.0</b>	<b>Proposal Format and Content</b>	
4.1	Proposal Information and Criteria	20
4.2	Signed Authentication of Proposal and Statement of Non-Collusion and Non-Conflict of Interest Form	20
4.3	Transmittal Letter	20-21
4.4	Executive Summary and Proposal Overview	21
4.5	Criteria 1 – Offeror Qualifications	21
4.6	Criteria 2 – Dining Services & Facilities	21-27
4.7	Criteria 3 – Other Services	28-31
4.8	Criteria 4 – Financial Proposal	32
4.9	Criteria 5 – Evidence of Successful Performance and Implementation Schedule	32
4.10	Criteria 6 – Other Additional Information	32

<b>5.0</b>	<b>Evaluation Criteria Process</b>	<b>33</b>
<b>6.0</b>	<b>Special Conditions / Other Specifications</b>	
6.1	Contract Term	34
6.2	Effective Date	34
6.3	Competitive Negotiation	34
6.4	Appearance Before Committee	34
6.5	Additions, Deletions or Contract Changes	34
6.6	Contractor Cooperation in Related Efforts	35
6.7	Entire Agreement	35
6.8	Governing Law	35
6.9	Termination for Non-Performance	35-36
6.10	Prime Contractor Responsibility	36
6.11	Assignment	36
6.12	Permits, Licenses, Taxes, and Commonwealth Registration	36
6.13	Attorneys' Fees	36
6.14	Patents, Copyrights and Trademarks	37
6.15	Indemnification	37
6.16	Insurance	37
6.17	Method of Award	38
6.18	Reciprocal Preference	38
6.19	Reports and Auditing	38
6.20	Confidentiality	38
6.21	Conflict of Interest	39
6.22	Personal Service Contract Policies	39
6.23	Copyright Ownership and Title to Designs and Copy	39
6.24	University Graphic Standards	40
6.25	PCI-DSS Information Security Requirements	40-41
6.26	Minority Women Owned Businesses	42
<b>7.0</b>	<b>Scope of Services</b>	<b>43-44</b>
7.1	Dining Specifications	44-58
7.2	Financial Specifications	59-63
<b>8.0</b>	<b>Financial Offer Summary</b>	<b>64</b>
8.1	Capital Investment Fund	64
8.2	Commission & Guaranteed Minimum Annual Payment	64
8.3	Rebate/Credit Sharing Proposal	64
8.4	One Time Unrestricted Donation	64
8.5	Annual Scholarship Donation	64
8.6	Annual Contingency Fund	65
8.7	Point of Sale License Fee	65
8.8	Utility Recharge Cost Sharing	65
8.9	Alternate Financial Proposals	65

**Attachments**

1. Bluegrass Community Memorandum Of Understanding
2. Athletic Training Table Memorandum Of Understanding
3. Official University Holidays
4. Four Year Dining Revenue – Profit and Loss by Venue
5. Dining Staff Roster
6. UK Benefits 2013/2014
7. UK HR Steps employee numbers Dining Services
8. Dining Services Turnover numbers
9. Current Capital Equipment
10. Food truck specifications
11. Point of Sale System
12. Utility Fees for Foodservice
13. Exclusive University Vendor Contracts
14. 2013 Spring Hours of Operation
15. 2013 Summer Hours of Operation
16. Aerial Map Phase I IIA IIB
17. Dining Building Plans
18. Dining Unit Square Footage
19. Dining Services Units
20. Dining Plan Use – Fiscal Years 2010-2013
21. Sample Catering Dashboard
22. Housing Occupancy Historical Data
23. Student Housing Projections
24. UK Healthcare Food Service Contract
25. Athletic Concession Contract
26. Camp and Conference Revenues
27. FY 2012-13 Profit and Loss Statement by Venue
28. Cold Dark Shell Haggin Dining Cad Attachment
29. Dining Services Market Research Survey Report
30. Dining Services Market Research Key Findings
31. Pouring Rights Contract
32. New Retail Dining in Gatton College of Business

**Appendices**

- A. Hours of Operation
- B. Staffing
- C. Staffing Summary
- D. Employee Benefits Form
- E. Full Contract Term Pro forma
- F. Individual and Consolidated Venues Pro forma
- G. FY 2014-15 Dining Plan Pricing Structure
- H. Camp and Conference Rates
- I. Non Board Plan Program Rates

## **1.0 DEFINITIONS**

The term "Addenda" means written or graphic instructions issued by the University of Kentucky prior to the receipt of Proposals that modify or interpret the Request for Proposal documents by addition, deletions, clarification, or corrections.

The term "Cold Dark Shell" means Gravel Floor; Sprinkler System (upright heads only); Ducted Heat to prevent freezing (but no other ductwork); Utility Stub-Ups for Water & Sewer; Excludes Wiring & Conduit (conduit is stubbed from Mechanical Room, no Wire included); Excludes Gyp Board walls.

The term "Competitive Negotiations" means the method authorized in the Kentucky Revised Statutes, Chapter 45A.085.

The terms "Offer" or "Proposal" means the Offeror(s) response to this Request for Proposal.

The term "Offeror" means the entity or Contractor group submitting a Proposal.

The term "Contractor" means the entity receiving a contract award.

The term "Purchasing Agency" means the University of Kentucky, Division of Purchasing, Room 322 Peterson Service Building, Lexington, KY 40506-0005.

The term "Purchasing Official" means the University of Kentucky's appointed contracting representative.

The term "University Dining Liaison" means the University of Kentucky's designated representative for all day-to-day matters regarding the Contractor's duties as set forth herein.

The term "Responsible Offeror" means a person, company, or corporation who has the capability in all respects to perform fully the contract requirements and the integrity and reliability that will assure good faith performance. In determining whether an Offeror is responsible, the University may evaluate various factors including (but not limited to) financial resources; experience; organization; technical qualifications; available resources; record of performance; integrity; judgment; ability to perform successfully under the terms and conditions of the contract; and adversarial relationship between the Offeror and the University this is so serious and compelling that it may negatively impact the work performed under this RFP; or any other cause determined to be so serious and compelling as to affect the responsibility of the Offeror.

The term "Solicitation" means Request for Proposal (RFP).

The term "University" means University of Kentucky.

The term "Vanilla Box" means Concrete Slab; Gyp Board Walls - taped and sanded but no paint; Suspended Acoustical Ceiling Tile with Light fixtures; Electrical Outlets; and, Sprinkler System.

## 2.0 GENERAL OVERVIEW

### 2.1 Intent and Scope

The University of Kentucky (UK) intends to evaluate and consider for award an agreement for the operation of the campus dining and catering operations. UK Dining, a self-operated unit, provides dining services for students, faculty, staff and guests of the University. UK is issuing this Request for Proposal (RFP) to evaluate enhanced services and financial options available by contracting the management and operation of its dining program. The University is seeking a company with an established record of providing high quality, innovative dining services in the higher education market. Offerors are expected to have the financial base to be able to provide substantial 100% debt-free equity investments, and commission funding to operate UK Dining.

UK seeks Proposals from Offerors who will work cooperatively with the University to implement a superior dining services program. All Offerors must demonstrate a visionary plan for the future of UK Dining. A clear understanding of the distinctive nature of higher education culture and the important role that dining plays in that culture is a critical component of the RFP response.

It is our intent to grant the successful Contractor exclusive rights to the operation of dining services, board plan, retail, and catering on the UK campus, except as specifically excluded in this RFP:

- Dining facilities and catering at the Boone Center and Spindletop Hall
- On-campus vending
- The Plus Card
- The University Bookstore
- The Cat's Den located in the Student Center
- Any research or agricultural stations located throughout the Commonwealth including, but not limited to Coldstream Research Park.
- Pouring Rights Agreement
- Isotonic Sideline Agreement

The University will consider, as alternative Proposals, options to incorporate UK Athletic concessions and UK HealthCare dining services, (including retail dining, and patient tray dietary services) in the future.

The Contractor will operate at its expense and upon its own credit, dining service operations, including but not limited to the preparation and service of food in current and future dining facilities designed by the University which shall include all storage, preparation, service and seating areas. Funding sources are expected to be debt free, 100% equity financing. The Contractor shall have the sole responsibility for maintaining these facilities in an acceptable manner to the University. The Contractor shall provide catering on campus and off-campus as requested by the University. Any function that utilizes alcohol must abide by the University's alcohol policy, with the patron/sponsor purchasing the alcohol and the Contractor providing certified servers.

Toward this end, the University has the following **priorities/expectations** regarding establishment of a contractual relationship with any Contractor:

#### 1. Ensuring a Quality Dining Service Operation

This priority encompasses the quality of the food, the variety of the food being served, the choices offered at the multiple locations on campus, customer service, competitive price/value, and the

ability of the Contractor to replace and/or rotate food concepts in a timely, cost effective manner in order to keep the food service fresh and up to date, and reflect customer preferences. Nutrition, health programming, and food safety and sanitation are vital requirements of a quality dining service operation.

## 2. Commitment to Employees

Ensure a dynamic and challenging workplace that gives UK Dining employees the opportunity to develop their skills and talents. Create a working environment in which there is mutual support, trust and respect. Promote a workplace that emphasizes safety, wellness, and inclusion.

## 3. Commitment to Sustainability

Provide a sustainable UK Dining program that economically supports environmentally sustainable food systems that contribute to the economic vitality and quality of life in the community. Expectations include developing partnerships with local producers and direct-farm impact, reducing waste, enhancing recycling, reducing energy consumption and helping students develop lifelong habits of sustainability and healthy eating.

## 4. Commitment to Academic Interrelationships and the Land Grant Mission of UK

Maintain existing and expand research, teaching and outreach interaction with campus colleges and departments including, for example, the College of Agriculture, Lemon Tree, Butcher Shop, Food Systems Innovation Center, Nutrition and Dietetics, and Hospitality Management. Partner with on-campus programs (such as Dietetics/Nutrition and Food Science, the Food Systems Innovation Center, the Gatton School of Business) as consultants as an alternative to in-house or corporate consultants. Expand collaborative faculty and student engagement in support of the University's land grant mission to develop innovative projects and build bridges into the community through outreach.

## 5. Dining Service Facilities on Campus

Service at a variety of attractive and appropriate dining service facilities at multiple locations on the campus will be required. Contractors should be prepared to offer flexibility and options in its dining service operations at the University. It is the intent of the University to seek companies that can use debt-free equity capital to renovate and operate services in existing residential and retail spaces as well as fit-up and operate services in designated spaces in new residence halls constructed by Education Realty Trust (EdR) as potential dining venues. UK is especially interested in the capability of the Contractor to obtain rights to desired branded food concepts and show evidence of their ability to competently operate them. The initial project scope for these facilities consists of these major components:

- A. To assume the entire activities, including renovation, related to current retail dining locations, branded food concepts, and convenience stores.
- B. To construct and or fit-up of shell space (either Cold Dark Shell or Vanilla Box) to accommodate newly constructed student housing in three locations:
  - a. A new Cold-Dark Shell space at Haggin Hall, available in summer 2014 (See Attachment 28)
  - b. A North Campus location to replace Blazer Café, in summer 2016. A Student Center replacement is currently on the University's capital request for the 2014-2016 biennium.



- c. A student center satellite is currently number two on the University's capital request. If authorized by the legislature, the facility would be constructed on central campus in the 2014-16 biennium.
  - d. Replacement for Commons, date to be determined
  - e. Gatton College of Business in Fall 2015 (Vanilla Box) (See Attachment 32)
- C. Catering and other internal food service activities including athletic training tables.

## 6. Proposed Financial Package

Offerors should have the financial base to provide substantial investment/commission funding to support UK's Dining Services. The financial package should be some combination of company capital investment and commission to UK that will provide the high quality campus dining service desired. Offerors should submit a substantial financial package commensurate with the value and growth potential of likely contract revenues. Specifically, UK is interested in contracting with a firm that has the financial strength to provide:

- (A) An advantageous commission schedule with a guaranteed minimum annual payment;
- (B) A financial commitment of capital outlay dollars for (a) renovation and expansion of current dining service facilities; (b) the possible construction of board plan facilities; (c) future improvements to existing dining service locations; and/or (d) establishment and construction of additional dining service locations, and other uses deemed appropriate.
- (C) An annual contingency fund designated for the repair, replacement and upgrade of University owned dining service facilities and equipment;
- (D) A utility cost sharing proposal encompassing all areas designated as dining service space by the University.
- (E) A share of any payments/credits, etc. received in the form of rebates and or returns resulting from dining service operations at the University.

## 7. Customer Service

Customer satisfaction is an important goal for any university dining service operation. UK is seeking a Contractor that will implement and maintain an effective, high quality, customer satisfaction policy in providing campus dining service operations.

## 8. Marketing Efforts

The University of Kentucky is seeking a Contractor that will implement and maintain an effective, high-quality marketing and promotional strategy that assists in ensuring a successful UK Dining operation for students, faculty, and staff.

## **2.2 Background Information**

The University of Kentucky is undergoing a complete replacement of its housing inventory by partnering with Educational Realty Trust (EdR), a REIT located in Memphis, TN. Opened in August 2013, Phase I of the project provided 601 beds for a residence hall on the Haggin field located along University Drive. Phase II-A includes the development of approximately 2,400 beds at

Champions Court I and II, Haggin Hall and Woodland Glen I, and II is scheduled to open in August 2014. Phase II-B, scheduled to open in Fall 2015 with 1610 beds, will provide three additional residence halls at the Woodland Glen site. By Fall 2015, EdR constructed facilities will comprise approximately 4,600 beds. However, other undergraduate housing facilities will be taken off-line and/or demolished throughout the housing transformation transition. For planning purposes, between 5,200 and 6,200 required meal plans are anticipated.

Future dates for occupancy of facilities on north and south Campus are not final. The next phase of housing development, expected to be authorized by the Board of Trustees in fall/winter 2013, may include replacement of Boyd, Holmes, Jewell, and Keeneland Halls, on north campus. This phase, if approved, is expected to open in August 2016.

UK's Master Planner Sasaki has also suggested a Greek Park on Rose Lane. The master plan includes conceptual consolidation of Graduate and Family housing on south campus near Commonwealth Stadium and the Arboretum. Overall, the housing revitalization project expects the construction of 6,500 to 9,000 beds.

UK's current (2013-14) undergraduate housing capacity is 5,154 undergraduate beds without kitchens, plus 506 graduate/family living apartments with kitchens. Of the undergraduate students living on campus, approximately 86% are freshmen. Occupancy for the Fall 2012 was 98% and - 92% for the Spring 2013 in the traditional (community bath) residence halls and 102% for the Fall and 100% for the Spring for the premium (suite style, no kitchen) halls.

Currently all students in campus undergraduate residence halls are required to purchase a meal plan. Students living in Greek housing are not required to purchase a meal plan. Students living in housing units with kitchens are not required to purchase a meal plan. Other students can purchase a plan or make a deposit on their University operated debit card program (PLUS) account that can be used at all UK Dining venues.

The University of Kentucky intends to include the potential dining Contractor during the design of new residential housing facilities with Education Realty Trust (EdR) and their architects to advise them regarding potential dining needs.

The following websites are included as additional resource materials and data relating to the University of Kentucky and UK Dining.

- Campus Demographics Information can be found at the website of the Office of Institutional Effectiveness: <http://www.uky.edu/IRPE/ir.html>
- Campus Maps: <http://maps.uky.edu/printablemaps/>
- UK Dining website: <http://www.uky.edu/DiningServices/>
- Dining Facilities and Maps: <http://www.uky.edu/DiningServices/>
- Catering Services: <http://www.uky.edu/DiningServices/catering>
- QuickStop Locations: <http://www.uky.edu/DiningServices/restaurants>
- Resident Halls and Map: <http://www.uky.edu/Housing/undergraduate/>
- UK Plus Card: <http://www.uky.edu/PlusAccount/>
- Sasaki Master Plan: <http://www.uky.edu/EVPFA/Facilities/MasterPlan/>
- Dining Revitalization: <http://www.uky.edu/DiningRevitalization/>
- Envision Strategies Report: <http://www.uky.edu/DiningRevitalization/reports.html>
- University HR Policies: <http://www.uky.edu/HR/policies/>

### **2.3 University Information**

Since his arrival in July 2011, President Eli Capilouto has set forth an ambitious agenda to honor our promise to Kentucky as a modern, land-grant and flagship research university lighting the path toward a brighter tomorrow. By focusing on infrastructure growth and improvement; creating opportunities for innovative teaching and learning; fostering a robust research and creative scholarship enterprise; providing life-saving subspecialty care; empowering communities through service and outreach; and encouraging a transparent and shared dialogue about institutional priorities; the University of Kentucky will ensure a new century of promise for the people we impact.

Founded in 1865 as a land-grant institution adjacent to downtown Lexington, UK is nestled in the scenic heart of the beautiful Bluegrass Region of Kentucky. From its early beginnings, with only 190 students and 10 professors, UK's campus now covers more than 918 acres and is home to nearly 29,000 students and approximately 14,500 employees, including more than 2,300 full-time faculty. UK is one of a small number of universities in the United States that has programs in agriculture, engineering, a full complement of health colleges including medicine and pharmacy, law and fine arts on a single campus, leading to groundbreaking discoveries and unique interdisciplinary collaboration. The state's flagship university consists of 16 academic and professional colleges where students can choose from more than 200 majors and degree programs at the undergraduate and graduate levels. The colleges are Agriculture, Food and Environment; Arts and Sciences; Business and Economics; Communication and Information; Dentistry; Design; Education; Engineering; Fine Arts; Health Sciences; Law; Medicine; Nursing; Pharmacy; Public Health; and Social Work.

Research at the University of Kentucky is a dynamic enterprise encompassing both traditional scholarship and emerging technologies, and UK's research faculty, staff and students are establishing UK as one of the nation's most prolific public research universities. UK research expenditures were more than \$361 million last year. UK attracted \$236 million in research grants and contracts from out-of-state sources. With more than 50 research centers and institutes, UK researchers are discovering new knowledge, providing a rich training ground for current students and the next generation of researchers, and advancing the economic growth of the Commonwealth of Kentucky. Several centers excel in the services offered to the public. The Gluck Equine Research Center, the world leader in equine health research, is one of only three facilities of its kind in the world conducting research in equine diseases.

The Center for Applied Energy Research (CAER) is pursuing groundbreaking research across the energy disciplines. CAER staff are pioneering new ways to sustainably utilize Kentucky natural resources through carbon-capture algae technology, biomass/coal to liquid products and the opening of UK's first LEED-certified research lab to support the development of Kentucky's growing alternative energy industry. Among the brightest examples of UK's investment in transformative research is the Markey Cancer Center with National Cancer Institute (NCI) designation. As a center of excellence and distinction at UK, Markey's robust research and clinical enterprise is the cornerstone of our commitment to Kentucky – fundamental to our success in uplifting lives through our endeavors and improving the general health and welfare of our state – burdened by the nation's highest rate of cancer deaths per 100,000 people.

Established in 1957, the medical center at UK is one of the nation's finest academic medical centers and includes the University's clinical enterprise, UK HealthCare. The 569-bed UK Albert B. Chandler Hospital and Kentucky Children's Hospital, along with 256 beds at UK Good Samaritan Hospital, are supported by a growing faculty and staff providing the most advanced subspecialty care for the most critically injured and ill patients throughout the Commonwealth and beyond. Over the last several years, the number of patients served by the medical enterprise has increased from

roughly 19,000 discharges to more than 34,300 discharges in 2012, including more than 27,500 surgeries.

UK Chandler Hospital includes the only Level 1 Trauma Center for both adult and pediatric patients in Central and Eastern Kentucky. In addition, UK HealthCare recently opened one of the country's largest robotic hybrid operating rooms and the first of its kind in the region. While our new patient care pavilion is the leading healthcare facility for advanced medical procedures in the region, our talented physicians consult with and travel to our network of affiliate hospitals so Kentucky citizens can receive the best health care available close to their home and never need to leave the Bluegrass region for complex subspecialty care.

UK's agenda remains committed to accelerating the University's movement toward academic excellence in all areas and gain worldwide recognition for its outstanding academic programs, its commitment to students, its investment in pioneering research and discovery, its success in building a diverse community and its engagement with the larger society. It is all part of the University's fulfillment of our promise to Kentucky to position our state as a leader in American prosperity.

Visit the University of Kentucky Web site at <http://www.uky.edu>.

**2.4 University Dining Facilities and Services**

UK Dining is comprised of four components: Catering, Residential, Retail and Administrative. The University's agreements related to vending sales, student debit cards and the bookstore are excluded from this RFP.

Students living in undergraduate on-campus housing are required to purchase the Minimum-dining plan. Dining Plan details and pricing for fiscal year 2013-14 are indicated in the table below. Cash, checks, credit cards, Dining Plan meals and flex dollars, and the Plus Account (student debit account that can be used for laundry in residence halls, printing on campus, purchases in the campus bookstore, food purchases in some off campus restaurants, and for any purchase in all on campus dining units) are all accepted by UK Dining units.

<b>FY 13-14 Dining Plan Pricing Structure</b>				
Plan`	Total Cost Per Semester	Flex Per Semester	Meals Per Week	Meals Per Semester
Minimum*	\$1,300	\$200	7	NA
Wildcat**	\$1,570	\$300	NA	130
Champion**	\$1,570	\$700	NA	85
White	\$1,777	\$300	10	NA
Blue	\$2,310	\$300	14	NA
Comfort	\$2,841	\$300	21	NA
*Required plan for students in residential housing				
**Block Plans				
Flex dollars are accepted in all Dining Units to purchase a la carte items. Flex dollars carry over from fall to spring semester.				
Meals are accepted in Blazer, Commons ("unlimited choices" buffets), Ovid's and Bluegrass Café (combo meals)				
There is a flex dollar only plan available to commuter students, faculty and staff.				
Semester meals are calculated on 17 weeks.				

Catering: Catering is a full service, fine dining operation which provides flexible menus and quality services for a variety of events ranging from wedding receptions to business functions to private parties. Catering works with Residential Dining to provide training table meals to scholarship athletes, including men's basketball, football, women's basketball, and volleyball.

Residential Dining: Residential Dining is comprised of four dining units and currently provides for the daily dining needs of approximately 5,100 students living on campus. Blazer Café' and Commons Market provide "unlimited choices" dining while Ovid's, Subway, Panda Express, Bluegrass Café. Fusion, Intermezzo, and Chick-fil-A provide combo meals. Currently, the residential facilities serve seven residence halls on the "north" campus, two residence halls on the "central" campus, and two twenty-three story towers and eight three-story residence halls on the south campus. In addition to meal service seven days a week, the residential facilities offer theme meals, monotony breakers, and education programming.

Retail Dining: Retail Dining is comprised of 17 units which include the following:

- Five (5) self-branded units located within academic buildings (Intermezzo, Ag Deli, Fusion, Bluechips, Apothecary Café and ED-UK-ATE)
- Two (2) convenience stores in residence halls (Quick Stop @ Blazer, Quick Stop @ Commons)
- One (1) convenience store in the Student Center Food Court.
- Five (5) national franchise units in the Student Center Food Court (Starbucks®, Chick-fil-A®, Sbarro®, Subway®, Panda Express®)
- One national franchise unit in a residence hall (Starbucks® @ Commons)
- One national franchise in the Kentucky Clinic (Starbucks® @ The Kentucky Clinic)
- One national Franchise in the W.T. Young Library (Starbucks® @ Ovid's Café)
- One self-branded concept (Say Cheese) in the Student Center Food Court

Administrative: The Administrative component (4 units) of the UK Dining program is comprised of the following:

- UK Dining Administrative Office – handles all payroll, invoice payment, project management, vendor contracts, employee training, and cash reconciliation functions as well as point of sale support (38 Micros cash registers, 2 servers).
- Central Commissary – handles daily production of salads, sandwiches, Panini's and wraps for all UK Dining units.
- Marketing – provides all marketing support for all UK Dining units, including website maintenance.
- Maintenance – provides routine and emergency maintenance for all UK Dining units.

Academic: UK Dining currently maintains a relationship with various academic and/or athletic units on campus as follows:

- Bluegrass Community and Technical College – Provides services to their on-campus location under a Memorandum of Understanding (MOU) (Attachment 1). The University is contractually obligated to provide the current level of food service until such time as BCTC no longer requires these services.

- Athletic Training Tables – Provides catered services to student athletes under a MOU (Attachment 2)
- Lemon Tree – UK Dining provides food and paper goods, basic instruction when needed, occasional minor preparation work, kitchen space, dishwashing area, napkins, tablecloths, aprons, chef coats, hairnets and beverages; UK Dining receives income and student labor from the customer charges for meals that student classes serve weekly.
- College of Agriculture – UK Dining participates in cooperative services and programs including:

South Farm Project: UK Dining does not provide anything; however, UK Dining receives produce items at market value when surplus is available.

Charcuterie (Butcher Shop): UK Dining provides labor to cure meats and operate the shop two days a week, assistance with teaching classes, expertise with charcuterie techniques; UK Dining receives rent and utilities at no cost, some shop equipment, and income for UK Dining items sold in shop.

The Food Systems Innovation Center: UK Dining has collaborated on the development and testing of new value-added food products and food processing technologies.

### 3.0 **PROPOSAL REQUIREMENTS**

#### 3.1 **Key Event Dates**

Release of RFP	09/12/13
Pre-Proposal Conference (Optional)	10/02/13
Deadline for Written Questions @ 3:00 p.m. on	10/09/13
RFP Proposals Due Date	11/04/13
Offeror Presentations *	11/18/13
Contract Award*	TBD

\* The Potential Offeror Presentations and Contract Award are projected dates.

#### 3.2 **Offeror Communication**

To insure that RFP documentation and subsequent information (modifications, clarifications, addendum, written questions & answers, etc.) is directed to the appropriate persons within the Offeror's firm, each Offeror who intends to participate in this RFP is to provide the following information to the Purchasing Officer. Prompt, thorough compliance is in the best interest of the Offeror. Failure to comply may result in incomplete or delayed communication of Addenda or other vital information. Contact information is the responsibility of the Offeror. Without the prompt information, any communication shortfall shall reside with the Offeror.

- Name of primary contact
- Mailing address of primary contact
- Telephone number of primary contact
- Fax number of primary contact
- E-mail address of primary contact
- Additional contact persons with same information provided as primary contact

This information shall be transmitted via fax or e-mail to:

Mrs. Wendy Brown  
Purchasing Division  
University of Kentucky  
322 Peterson Service Building  
Lexington, KY 40506-0005  
Phone: (859) 257-5404  
Fax: (859) 257-1951

E-mail: [wendy.holland@uky.edu](mailto:wendy.holland@uky.edu)

All communication with the University regarding this RFP shall only be directed to the University Purchasing Officer listed above.

#### 3.3 **Pre-Proposal Conference**

A Pre-Proposal Conference will be held in Lexington, Kentucky on Wednesday October 2, 2013 at 8:30 AM in Room 230 of the Student Center, to allow prospective Contractors an opportunity to ask

questions, and clarify the University's expectations. This conference provides Offerors an opportunity for oral questions.

The following items should be noted in reference to the Pre-Proposal Conference:

- Attendance at the Pre-Proposal Conference is **optional**. At this conference the scope of services will be discussed in detail and tour of facilities will follow.
- Potential Offerors are limited to six (6) attendees. Provide confirmation of attendance, including a list of attendees, to Wendy Brown by September 25, 2013.
- Offerors are required to submit written questions after the Conference by the date listed in Section 3.1 Key Event Dates.

The University will prepare written responses to all questions submitted and make them available to all Offerors in the form of an addendum. The questions and answers will be made part of the RFP and may become part of the contract with the successful Contractor. Oral answers given at the conference are not binding.

### **3.4 Offeror Presentations**

All Offerors who's Proposals are judged acceptable for award may be required to make an Offeror presentation to the evaluation committee. Offeror's proposed candidates for Resident District Manager, Executive Chef and Catering Manager (or equivalent titles) are expected to attend and participate in the presentation.

### **3.5 Preparation of Offers**

Offeror is expected to follow all specifications, terms, conditions, and instructions in this RFP.

Offeror will furnish all information required by this Solicitation.

Proposals should be prepared simply and economically, providing a description of the Offeror's capabilities to satisfy the requirements of the Solicitation. Emphasis should be on completeness and clarity of content. All documentation submitted with the Proposal should be bound in the single volume except as otherwise specified.

An electronic version of the RFP is available through the University of Kentucky Division of Purchasing Web site: <http://www.uky.edu/purchasing/>

Click on: **Bid & Proposal Opportunities**

### **3.6 Proposed Deviations from the Request for Proposal**

The stated requirements appearing elsewhere in this RFP shall become a part of the terms and conditions of any resulting contract. Any deviations therefrom must be specifically defined in accordance with the Transmittal Letter, Section 4.3 (d). If accepted by the University, the deviations shall become part of the contract, but such deviations must not be in conflict with the basic nature of this RFP.



**Note: Offerors shall not submit their standard terms and conditions as exceptions to the RFP Terms and Conditions. Each exception to a University term and condition shall be individually addressed.**

### **3.7 Proposal Submission and Deadline**

Offeror must provide fourteen (14) electronic copies on compact disk/flash drive and fourteen (14) printed copies of each technical Proposal under a sealed cover and fourteen (14) electronic copies on compact disk/flash drive and fourteen (14) printed copies financial Proposals under separate sealed cover, prior to 3:00 P.M. Lexington, KY time on date as specified in Section 3.1 Key Event Dates and addressed to the Purchasing Officer as listed in Section 3.2 Offeror Communication.

**Note: Proposals received after the closing date and time will not be considered. In addition, Proposals received via fax or email are not acceptable.**

**The University of Kentucky accepts deliveries of RFP's Monday through Friday from 8:00 am until 5:00 pm Lexington, Kentucky time. However, RFP's must be received by 3:00 pm Lexington, Kentucky time on the date specified on the RFP in order to be considered.**

Proposals shall be enclosed in sealed envelopes to the above referenced address and shall show the closing time and date specified, the Solicitation number, and the name and address of the Offeror on the face of the envelope. **The technical Proposal shall be submitted in a sealed envelope under separate cover and the financial Proposal shall be submitted in a sealed envelope under separate cover.** Both sealed envelopes shall have identical information on the cover, with the addition that one will state "Technical Information", and the other, "Financial Proposal".

Note: In accordance with the Kentucky Revised Statute 45A.085, there will be no public opening.

### **3.8 Modification or Withdrawal of Offer**

An Offer and/or modification of Offer received at the office designated in the Solicitation after the exact hour and date specified for receipt will not be considered.

An Offer may be modified or withdrawn by written notice before the exact hour and date specified for receipt of Offers. An Offer also may be withdrawn in person by an Offeror or an authorized representative, provided the identity of the person is made known and the person signs a receipt for the Offer, but only if the withdrawal is made prior to the exact hour and date set for receipt of Offers.

### **3.9 Acceptance or Rejection and Award of Proposal**

The University reserves the right to accept or reject any or all Proposals, or part of Proposals, to waive any informalities, technicalities, clarify any ambiguities in Proposals, and unless otherwise specified to accept any item in the Proposal. In case of error in extension or prices or other errors in calculation, the unit price shall govern. Further, the University reserves the right to make a single award, split awards, to make multiple awards or no award, whichever is in the best interest of the University.

### **3.10 Rejection**

Grounds for the rejection of Proposals include, but shall not be limited to:

- Failure of a Proposal to conform to the essential requirements of the Request for Proposal.
- Imposition of conditions that would significantly modify the terms and conditions of the Solicitation or limit the Offeror's liability to the University on the contract awarded on the basis of such Solicitation.
- Failure of the Offeror to sign the University RFP, as part of the Proposal. This includes the Authentication of Proposal and Statement of Non-Collusion and Non-Conflict of Interest statements.
- Receipt of Proposal received after the closing date and time specified in the RFP.

### **3.11 Addenda**

Any Addenda or instructions issued by the Purchasing Agency prior to the time for receiving Proposals shall become a part of this RFP. Such Addenda shall be acknowledged in the Proposal. No instructions or changes shall be binding unless documented by a proper and duly issued addendum.

### **3.12 Disclosure of Offeror's Response**

The Request for Proposal specifies the format, required information, and general content of Proposals submitted in response to this RFP. The Purchasing Agency will not disclose any portions of the Proposals prior to contract award to anyone outside the Purchasing Division, the University's administrative staff, representatives of the State or Federal Government, if required, and the members of the committee evaluating the Proposals. After a contract is awarded in whole or in part, the University shall have the right to duplicate, use, or disclose all Proposal data submitted by Offerors in response to this RFP as a matter of public record.

Any submitted Proposal shall remain a valid Proposal for six (6) months after the Proposal due date.

The University shall have the right to use all system ideas, or adaptations of those ideas, contained in any Proposal received in response to this RFP. Selection or rejection of the Proposal will not affect this right.

### **3.13 Restrictions on Communications with University Staff**

From the issue date of this RFP until a Contractor is selected and a contract award is made, Offerors are not allowed to communicate about the subject of the RFP with any University administrator, faculty, staff, students or members of the Board of Trustees except:

- The Purchasing Office representative, any University Purchasing Official representing the University administration, or others authorized in writing by the Purchasing Office and
- University representatives during Offeror presentations.

If violation of this provision occurs, the University reserves the right to reject the Offeror's Proposal.

**3.14 Cost of Preparing Proposal**

Costs for developing the Proposals and any subsequent activities prior to contract award are solely the responsibility of the Offerors. The University of Kentucky will provide no reimbursement for such costs.

**3.15 Disposition of Proposals**

All Proposals become the property of the University. The successful proposal will be incorporated into the resulting contract by reference.

**3.16 Alternate Proposals**

Offerors may submit alternate Proposals. If more than one Proposal is submitted, all must be complete (separate) and comply with the instructions set forth within this document. Each Proposal will be evaluated on its own merits.

**3.17 Questions**

All questions should be submitted by e-mail to the Purchasing Official listed in Section 3.2 no later than dated listed in Section 3.1.

**3.18 Section Titles in the RFP**

Titles of paragraphs used herein are for the purpose of facilitating ease of reference only and shall not be construed to infer the construction of contractual language.

**3.19 No Contingent Fees**

No person or selling agency shall be employed or retained or given anything of monetary value to solicit or secure this contract, except bona fide employees of the Offeror or bona fide established commercial or selling agencies maintained by the Offeror for the purpose of securing business. For breach or violation of this provision, the University shall have the right to reject the Proposal, annul the contract without liability, or, at its discretion, deduct from the contract price or otherwise recover the full amount of such commission, percentage, brokerage or contingent fee or other benefit.

**3.20 Proposal Addenda and Rules for Withdrawal**

Prior to the date specified for receipt of Offers, a submitted Proposal may be withdrawn by submitting a written request for its withdrawal to the University Purchasing Office, signed by the Offeror. Unless requested by the University, the University will not accept revisions, or alterations to Proposals after the Proposal due date.

**4.0 PROPOSAL FORMAT AND CONTENT**

#### 4.1 Proposal Information and Criteria

The following list specifies the items to be addressed in the Proposal. Contractors should read it carefully and address it completely and in the order listed to facilitate the University's review of the Proposal.

Proposals shall be organized into the sections identified below. The content of each section is detailed in the following pages. It is strongly suggested that Contractors use the same numbers for the following content as are used in the RFP.

- Signed Authentication of Proposal and Statement of Non-Collusion and Non-Conflict of Interest Form
- Transmittal Letter
- Executive Summary and Proposal Overview
- Criteria 1 – Offeror's Qualifications
- Criteria 2 – Dining Services and Facilities
- Criteria 3 – Other Services
- Criteria 4 – Financial Proposal
- Criteria 5 – Evidence of Successful Performance and Implementation Schedule
- Criteria 6 – Other Additional Information
- Appendices A - D

**Please note:** All Appendices require a response as specified in each. All Attachments are for informational purposes only.

#### 4.2 Signed Authentication of Proposal and Statements of Non-Collusion and Non-Conflict of Interest Form

The Contractor will sign and return the Proposal cover sheet and print or type her/his name, firm, address, telephone number and date. The person signing the Offer must initial erasures or other changes. An Offer signed by an agent is to be accompanied by evidence of his/her authority unless such evidence has been previously furnished to the Purchasing Department. The signer shall further certify that the Proposal is made without collusion with any other person, persons, company or parties submitting a Proposal; that it is in all respects fair and in good faith without collusion or fraud, and that, the signer is authorized to bind the principal Contractor.

#### 4.3 Transmittal Letter

The Transmittal Letter accompanying the RFP shall be in the form of a standard business letter and shall be signed by an individual authorized to legally bind the Contractor. It shall include:

- A) A statement referencing all Addenda and written questions, the answers and any clarifications to this RFP issued by the University and received by the Contractor. If no Addenda have been received, a statement to that effect should be included.
- B) A statement that the Contractor's Proposal shall remain valid for six (6) months after the closing date of the receipt of the Proposals.
- C) A statement that the Contractor will accept financial responsibility for all travel expenses incurred for oral presentations (if required) and candidate interviews.

- D) A statement that summarizes any deviations or exceptions to the RFP requirements and includes a detailed justification for the deviation or exception.
- E) A statement that identifies the Confidential Information as described in the Contractor's Financial Statements
- F) A statement of compliance with all requirements of the RFP specifications.

**Note: Contractors shall not submit your standard terms and conditions as exceptions to the RFP Terms and Conditions. Each exception to a University term and condition shall be individually addressed.**

#### **4.4 Executive Summary and Proposal Overview**

The Executive Summary and Proposal Overview shall condense and highlight the contents of the Proposal in such a way as to provide the evaluation committee with a broad understanding of the entire Proposal.

#### **4.5 Criteria 1 – Offeror's Qualifications**

The purpose of the Offeror's Qualifications Section is to determine the ability of the Offeror to respond to this Request for Proposal. Offeror must describe and Offer evidence of their ability to meet each of the qualifications listed below.

- A. Provide evidence of technical experience, organization, and support staff that will be assigned to the University.
- B. Provide the company's true name, corporate officers, national and regional officers.
- C. If publicly held, submit an annual report and 10-K for the last full fiscal year. If privately held, either audited financial statements (to include a detailed balance sheet) or income tax statements for the past two fiscal years.
- D. A listing of and resumes for all principal officers and key executives. National companies must submit the same information for its principal operating officers as well as all regional/district executives and management personnel that would be assigned to manage or support this account.
- E. A list of all dining accounts in higher education that your firm has lost in the last five years along with a contact name, telephone number and e-mail address for those persons most knowledgeable about your performance. Please feel free to include a brief explanation of why you believe you lost the account (i.e. bid process, change in administration, etc.).

#### **4.6 Criteria 2 – Dining Services and Facilities**

Offerors are expected to review service requirements as detailed in the RFP and describe in detail how Offeror will fulfill these requirements including, but not limited to services to be provided and personnel to be assigned to the University.

#### **4.6.1 Vision**

Based upon the information provided in this RFP, provide a detailed plan of the Offeror's proposed vision for the UK Dining program for two contract periods: Option 1 is a ten (10) year contract; Option 2 is a fifteen (15) year contract. Specifically outline for each contract period option the steps that would be achieved and a timetable for attaining the vision. The vision shall include all components of UK Dining identified in Section 2.4 of this RFP.

Additionally, provide a detailed proposed Strategic Plan for the first year of operation covering the program components identified in Section 2.4 of the RFP.

#### **4.6.2 Dining Services Program Enhancements**

Provide a narrative discussing how the proposed dining service program will meet the educational and social needs of the students and university community. What principles will be utilized to support the University of Kentucky in its mission of recruiting and retaining the best and brightest students? How will the program support and enhance the University's growth?

#### **4.6.3 Capital Construction of New Dining Facilities**

Based upon Envision Strategies and Sasaki Master Housing Plan Reports provide for a strategy to achieve the recommended dining facilities in the report. The Haggin Dining Pavilion, currently under construction as cold-dark shell space, will include approximately 11,000 square feet. The Offeror will be expected to fund the construction and fit out of this space and other dining spaces identified in each residential zone (Central, North, and South) throughout either of the contract option periods (Option 1 or Option 2). All new construction shall be LEED certified and must comply with the Commonwealth of Kentucky prevailing wage rates. The University and Contractor will negotiate any necessary lease for any required space. Contractor must have the capability of providing, at its sole cost and expense, professional architectural and design services for layout of future facilities as may be required by the University.

Planned occupancy dates for the facilities are Fall 2014 for Champions Court I and II on North Campus and Woodland Glen buildings I and II, and Haggin on Central Campus; and, in Fall 2015 for Woodland Glen buildings III, IV, and V on Central Campus. Future dates for occupancy of facilities on North and South Campus are not final. Offeror's capital construction plan shall include any temporary residential dining facilities, if necessary. The existing UK Dining Storage Building comprising 18,000 square feet of space that houses the UK Dining Administrative offices and the main food warehouse will be demolished in June 2014. Offeror shall take this into consideration in their Proposal.

Provide a detailed Project budget. Include a detailed description of the Project's financing package plan showing that the Project is by facility. Identify funding sources and a detailed description of revenue streams. Funding sources are expected to be debt free, 100% equity financing. Any investment in facilities, furniture, fixtures, equipment, and leasehold improvements made by Contractor under the terms of this agreement shall be solely at Contractor's expense. University shall take full title to any furniture, fixtures, equipment, and capital/leasehold improvements.

Provide financial pro forma statements for each facility for both options -- ten-year and fifteen-year contract periods (See Appendix E). Provide, as part of the pro forma, a specific list of assumptions made in preparing the pro forma. If necessary to Offeror's Proposal, submit alternative extended amortization schedule tied to higher capital investments.

#### **4.6.4 Proposed Facilities & Renovation of Existing Facilities**

Provide a detailed description and time line of each facility it plans to operate including an evaluation of each unit. Propose recommendations and state an overall strategy for renovations of existing facilities together with justifications for any changes. Submit any suggested changes in existing building décor and desirable equipment additions. Provide an estimated construction/renovation project budget by facility.

Any proposed additions, alterations or improvements require the prior approval of the University and the University will oversee the work performed. All costs for renovations and improvements approved by the University will be borne by the Offeror unless otherwise agreed to in advance and evidenced in writing.

All construction, renovation or improvements on University buildings must follow the University standards as stated at <http://www.uky.edu/EVPFA/Facilities/CPMD/standards/div00/div00.htm>

#### **4.6.5 Existing Board Residential Dining Operations**

Submit a plan to provide for the existing dining needs of the students living on campus that are served by Blazer Café, Commons Market, and Ovid's. For planning purposes, Blazer Café is anticipated to remain online through May 2016, and Commons Market online until a replacement venue is determined. Include the following information for each venue:

- A. Concepts/stations
- B. Menus
- C. Retail Gate prices
- D. Décor/Signage for stations
- E. Hours of operation (Use Appendix A form)
- F. Staffing (Use Appendix B form)

Include a financial pro forma statement for each residential venue for each option: ten-year and fifteen-year contract periods (See Appendix E). Additionally, provide an eighteen month pro forma, per venue (See Appendix F). Include a specific list of assumptions made in preparing the pro formas.

Provide the proposed FY 14-15 Dining Plan Pricing Structure (Appendix F).

#### **4.6.6 Existing Self Branded Concepts**

Submit a plan to provide for the existing dining needs served by the self-branded units within academic buildings currently met by Intermezzo, Ag Deli, Fusion, Bluechips, Bluegrass Café, Apothecary Café and ED-UK-ATE.

Include the following information for each venue:

- A. Concepts/stations
- B. Menus
- C. Retail Gate prices
- D. Décor/Signage for stations
- E. Hours of operation (Use Appendix A form)
- F. Staffing (Use Appendix B form)

Include a financial pro forma statement for each residential venue for each option: ten-year and fifteen-year contract periods (See Appendix E). Additionally, provide an eighteen month pro forma, per venue (See Appendix F). Include a specific list of assumptions made in preparing the pro formas.

**4.6.7 Food Court**

Submit a plan to provide for the existing dining needs served by the four national franchise units and one self-branded unit within the Student Center Food Court presently served by Chick-fil-A, Sbarro, Subway, Panda Express, and Say Cheese. Summaries of the current agreements are as follows:

Facility	Open Date	Notes
<b>Chick-fil-A®</b>	9/2006	▪ Contractually mandated Chick-fil-A® remodel due 8/12. Delayed
<b>Sbarro®</b>	8/2008	▪ Contractually mandated refresh/remodel due 2013/14.
<b>Subway®</b>	<ul style="list-style-type: none"> <li>• 1<sup>st</sup> store 4/08</li> <li>• 2<sup>nd</sup> store 8/09</li> <li>• mobile cart 8/12</li> </ul>	▪ Refresh is an ongoing expectation
<b>Panda Express®</b>	4/20/2011	▪ Contractually mandated remodel required in 2016

Include the following information for each venue:

- A. Concepts/stations
- B. Menus
- C. Retail Gate prices
- D. Décor/Signage for stations
- E. Hours of operation (Use Appendix A form)
- F. Staffing (Use Appendix B form)

Include a financial pro forma statement for each residential venue for each option: ten-year and fifteen-year contract periods (See Appendix E). Additionally, provide an eighteen month pro forma, per venue (See Appendix F). Include a specific list of assumptions made in preparing the pro formas.



**4.6.8 Starbucks**

Submit a plan to provide for the four national franchise Starbucks locate throughout campus at the Student Center, Commons, The Kentucky Clinic, W.T Young Library. Summaries of the current agreement are as follows:

Facility	Open date	Notes
<b>Student Center Starbucks®</b>	11/19/2001	<ul style="list-style-type: none"> <li>▪ Master Licensing Agreement (MLA) franchise fee of \$30,000 paid 2011.</li> <li>▪ Contractually mandated Student Center remodel due 2013. Delayed due to uncertainty with the SC remodel.</li> </ul>
<b>Commons Starbucks®</b>	8/19/2002	<ul style="list-style-type: none"> <li>▪ Master Licensing Agreement (MLA) franchise fee of \$30,000 paid 2012.</li> <li>▪ Contractually mandated Commons remodel (On time 8/2012, outside 2/2014).</li> </ul>
<b>KY Clinic Starbucks®</b>	8/3/2004	<ul style="list-style-type: none"> <li>▪ MLA franchise fee of \$30,000 due 8/2014.</li> <li>▪ Contractually mandated Clinic remodel (On time 8/2014, outside 2/2016).</li> </ul>
<b>Ovid’s Starbucks®</b>	8/21/2006	<ul style="list-style-type: none"> <li>▪ MLA franchise fee of \$30,000 due 8/2016.</li> <li>▪ Contractually mandated refresh (On time 8/2011, outside 2/2013).</li> <li>▪ Contractually mandated Ovid’s remodel (On time 8/2016, outside 2/2018).</li> </ul>

Include the following information for each venue:

- A. Concepts/stations
- B. Menus
- C. Retail Gate prices
- D. Décor/Signage for stations
- E. Hours of operation (Use Appendix A form)
- F. Staffing (Use Appendix B form)

Include a financial pro forma statement for each residential venue for each option: ten-year and fifteen-year contract periods (See Appendix E). Additionally, provide an eighteen month pro forma,

per venue (See Appendix F). Include a specific list of assumptions made in preparing the pro formas.

Submit a plan to provide dining needs for the requirements of camps and conferences. Current camp and conference rates are as follows:

Breakfast	\$5.95
Lunch	7.50
Dinner	<u>9.25</u>
Total	\$22.70

2012-13 Camp and Conference volume usage and revenue data are included in Attachment 28.

Offeror to provide proposed rates for camps and conferences (See Appendix H).

**4.6.10 Big Blue Community Plan**

The plan is a flex dollar account with a declining balance which is accepted at all UK Dining restaurants and convenience stores on campus. The account can be accessed using the UK or BCTC student card or the UK faculty or staff ID card. An additional 10% bonus is added to deposits.

The 10% bonus applies to:

- The initial deposit to a new Big Blue Community Plan
- A deposit made into an existing Big Blue Community Plan
- A deposit made to an existing flex account of a dining plan (the initial dining plans that all residence hall receive at the start of the fall or spring semesters do not get the bonus)

The Dining & Plus Account Office processes these accounts:

- The student is billed for the initial deposit, and subsequent deposits are billed
- The 10% bonus is added to the student account.

Faculty and staff would also get the bonus if they set up a Big Blue Community Plan or established a dining plan and then made an additional deposit into the flex account. The 10% bonus figures for 2012-2013 were as follows:

Big Blue Community Plans	\$8,993.70
Dining Plan Flex Additions	<u>\$ 734.31</u>
Total	\$9,728.01

Offeror shall provide a detailed non-board plan program including costs and discounts/incentives for commuter students, Greeks, and faculty/staff (See Appendix I).

**4.6.11 Convenience Stores and Quick Stops**

Submit a plan for Convenience stores; include the following information:

- A. Concept description
- B. Menu for grab and go items as well as groceries and sundries
- C. Prices and portions for proposed menu, grab and go and grocery/sundry items.
- D. Hours of operation (Use Appendix A form)
- E. Staffing (Use Appendix B form)

Currently UK has three that are located in the Student Center Food Court, Blazer Hall, and Commons. If an investment is proposed include a financial pro forma statement for each venue for each option: ten-year and fifteen-year contract periods. Include a specific list of assumptions made in preparing the pro formas.

#### **4.6.12 Catering**

The Contractor must service all groups and functions requested by the University on any day during the period of the contract. The Contractor will be required to create a detailed catering brochure including menus, prices, policies, and additional costs (i.e. delivery, linens, etc.). There shall be a catering brochure outlining “no frills” options that are affordable to cost-conscious faculty, staff, and student organizations with limited budgets. The Contractor will accept the University’s Purchase card (currently VISA) for departmental purchases of Catering Services.

Submit a catering plan to include:

- A. Menus, portions and pricing for four levels of service:
  - 1. Table linens with china
  - 2. Disposable service-ware
  - 3. Pick-up/carry-out (no frills)
  - 4. Student Organizations
- B. Typical staffing levels per customer for seated service, buffet service, receptions
- C. A brief description of the process your firm would use to receive, process, affirm and confirm catering orders and software program used
- D. Catering Policies and Procedures Manual
- E. Sample brochure with menus/marketing information
- F. Sample event planning policies and procedures
- G. Sample Catering billing forms
- H. Customer follow-up/satisfaction process
- I. Other pertinent catering data unique to your firm to include average number of events handled at higher education institutions of comparable size and scope.
- J. Ancillary pricing for items not included in the standard catering pricing such as linens, alcohol service, etc.

Include a financial pro forma statement for each residential venue for each option: ten-year and fifteen-year contract periods (See Appendix E). Additionally, provide an eighteen month pro forma, per venue (See Appendix F). Include a specific list of assumptions made in preparing the pro forma.

Provide, as part of your response, a consolidated venue pro forma as provided in Appendix F.

## 4.7 Criteria 3 - Other Services

### 4.7.1 Staffing and Personnel

The Contractor agrees to reimburse the University of Kentucky for all 114 current dining employees on payroll as of February 1, 2013 and as reflected in Attachment 5. See the Attachment for detail by job title with salary and benefit totals. The Contractor may offer direct employment to any current University Dining employee without prior consent required from the University

The Contractor must notify the University and obtain approval prior to hiring any former University employee and/or if that employee has previously been refused either as a contract staff member or as an employee by the University. The University may refuse any Contractor staff member at any time with or without cause.

The Contractor agrees to assign to the University and maintain a management staff with the background, education, training and experience to operate and manage a dining operation of this magnitude. The University shall review and approve all management and supervisory position candidates before any commitment or hiring by the Contractor.

The Contractor shall have an independent registered, licensed dietician on-site to coordinate a Nutrition Education Program, review students' special dietary needs, evaluate menus, and observe food production standards during the academic year (Mid-August to Early-May). The dietician shall submit a monthly written summary (with RD license number) of all activity with a copy on file in the UK Dining office and copy to the University Dining Liaison. Consider innovative opportunities for collaboration with UK's Dietetics program (e.g. coordination with the Nutrition Education program).

The Offeror shall provide the following information:

- A. Please use the Appendix C form for to present a consolidated total account staffing chart summarizing all of the staffing FTE's presented in the concepts section plus all support, administrative, and other management staff not assigned specifically to one of the units. There should be a print copy of the forms in the hard copy of the Proposal and Excel copies in the electronic submittal.
- B. Identify the anticipated number and type of positions that will be made available to UK students.
- C. Provide an outline or table of contents of your Employee Training Manual that ensures that all employees, full-time, part-time and students are trained in their position, and fully understand the job before working the position.
- D. The completed Benefits Form (See Appendix D)
- E. Organization charts for:
  - On-site reporting
  - Regional/District reporting
  - Corporate reporting

- F. Sample resumes for the Resident District Manager, Marketing Manager, Executive Chef and Catering Director that would be assigned to this account.

#### **4.7.2 Sustainability**

- A. Submit a plan to support the University's commitment to sustainability in dining services.

Background: UK Dining spent approximately \$800,000 of all food purchases with local (Lexington, KY and counties that surround it) farmers and producers representing about 12% of all expenditures. They spent an additional one million dollars (confirm as of 6/30/2013) with vendors certified by "Kentucky Proud" (<http://www.kyproud.com/>) and are within the state of Kentucky.

The Contractor must state their local purchasing definitions and annual commitments relative to purchasing local products and to expansion of the direct farm impact of UK food dollars.

- B. At a minimum your plan should address:

1. Your corporate policy and proposed practices regarding organic and locally sourced foods.
2. Your implementation plan for the Kentucky Proud program. Provide a strategic plan that demonstrates a commitment to locally grown and produced food products. Explain the internal and external organizational structures that will be implemented to ensure the program's success. Outline how specific tasks to successfully promote and expand locally grown food products throughout the duration of the contract.
3. Your plan on how our company would exceed current spending and grow spending levels for locally produced food options and over what period of time.
4. Your plan for a position to perform the role of a sustainability liaison/advocate, both on-campus and off-campus.
5. Your plan for how your company would form a collaborative relationship with the President's Sustainability Advisory Council or other designated entity.
6. Describe your commitment to environmental sustainability including reducing the carbon footprint of dining (including but not limited to energy consumption), reducing the utilization of limited natural resources, and reduction of unnecessary waste.
7. Describe how your company would propose to help reduce, reuse and recycle waste (e.g. composting) and partner with the University's Recycling Program for continual improvement in minimizing waste in all aspects of operations.
8. The cost impact of offering organic locally sourced options in the dining venues
9. Describe how disposable service ware standards will be implemented on campus.

10. Submit a plan to consider the use of biodegradable disposable service ware including the products that would be used, time line for implementing their use and the cost impact in terms of per item sold price increase. Discuss your commitment to creating a green cleaning program that protects human health and the environment following Green Seal standards.

#### **4.7.3 Wellness**

- A. Describe the wellness oriented programs you would implement on campus including but not limited to nutrition awareness programs, weight management programs, flu/isolation meals, and any other programs that encourage good health.
- B. Identify how you will assure that there are special diet accommodations including but not limited to gluten free, vegan, vegetarian, allergy free etc. in all dining facilities.
- C. Identify how your management staff will provide services of a Registered Dietician. How will these services partner with UK Dietetics academic and research programs? Consider innovative opportunities for collaboration with UK's Dietetics program (e.g. coordination with the Nutrition Education program).

#### **4.7.4 Marketing**

Submit a marketing plan to sufficiently address the requirements identified in Section 7.1.18 of the RFP.

#### **4.7.5 Safety, Sanitation, and Security**

Submit data to support the existence of programs that your company brings to an operation with respect to providing a safe, sanitary and secure work and dining environment. Please note the type and frequency of training programs and mandated procedures that support safety, sanitation and security.

Provide procedures for implementing corrective measures required as a result of health inspections.

Provide the methodology used to deal with food recalls and food borne illness.

#### **4.7.6 Quality Assurance and Performance Measurement**

- A. Submit a plan to provide quality assurance with respect to all aspects of the campus dining program to include:
  1. Sample inspection/quality audit forms used internally and as part of any per meal, per day quality maintenance inspections and district/regional visitations
  2. Follow-up procedures for customer complaints
  3. On-going as well as periodic customer service monitoring. Provide your target customer satisfaction rating.

4. A system for regular monitoring of menu items to include identification and replacement of unpopular menu items.
- B. The Contractor shall develop, in cooperation with the University, Key Performance Indicators (KPI) as part of a comprehensive performance management program based upon mutual performance, financial, and customer satisfaction objectives. Towards this end, propose performance indicators, including benchmarks, for each of the program components identified in Section 2.4 of the RFP.

#### **4.7.7 Value Added Programming**

The Contractor, by working with authorized members of the University and student committees, is expected to provide a variety of programs and special means in the all-you-care-to-eat dining operations to meal plan students at no extra charge. These theme meals (or monotony breakers) may be anything from mini-specials to full special meals complete with decorations, costumes, etc. All theme meals are to be included in the annual marketing plan.

The Contractor shall provide, once per semester, an activity open to all students on a meal plan (at no additional charge) and guests (at casual meal rates) at alternate locations to be determined and approved by the University. Additionally, the University participates in a variety of opening school events including K-Week, sorority/band move-in, living learning program move-in, and freshmen move-in. The Contractor, at its expensed, is expected to provide programmatic and meal support for these events.

With this information in mind, provide a detailed explanation of specific programs your company will conduct over and above day-to-day service. Specifically provide examples of program efforts including, for example, large-scale theme meals, free food giveaways, etc.

#### **4.7.8 Equipment Use and Maintenance**

Submit a plan to assure the University that all Dining service employees will receive initial and ongoing training in the proper use (in accordance with Manufacturer specifications) and cleaning of all university owned capital equipment. With so many facilities and some aging equipment this is very important to the University and will be monitored closely.

#### **4.7.9 Financial Controls and Systems**

Submit samples of forms and procedures your company uses to assure the safe and accurate accounting for all financial matters related to the operation of campus dining.

#### **4.7.10 PCI Compliance**

- A. Please indicate whether or not your point of sale system/payment application/payment gateway is PCI compliant as outlined in section 6.27.
- B. Provide the name under which it is listed on the PCI and/or Visa compliance web sites.
- C. Submit your requirements for UK to provide a compliant implementation: Firewall requirements for scanning, network requirements for isolation, access requirements for least privileged access and any others.

**4.8 Criteria 4 – Financial Proposal**

The Financial Summary Form shall contain the complete financial offer made to the University using the format contained in Section 8.0. **All financial information must be submitted in a sealed envelope under separate cover.**

**4.9 Criteria 5 - Evidence of Successful Performance and Implementation Schedule**

- A. Offerors shall supply names, addresses, and telephone numbers of three (3) business references from the management of other higher education customers for whom the Offeror has provided products and services similar to those outlined within the RFP specifications. The Offeror must grant permission to the University to contact the references.
- B. Offerors shall submit a plan of implementation and transition to the University under both a six (6) month and nine (9) month scenario. The implementation and transition plan should include target completion tasks associated with planning and implementing the conversion from self-operated to Contractor-managed.

**4.10 Criteria 6 – Other Additional Information**

- A. Please provide any additional information that the Offeror feels should be considered when evaluating their Proposal.
- B. Offeror may present any creative approaches that might be appropriate. The Offeror may also provide supporting documentation that would be pertinent to this RFP.
- C. The University will consider Proposals to incorporate Athletic Department concessions and UK HealthCare dining, however, such Proposal shall be submitted as an alternate Proposal.

Alternate proposals shall include the following information:

1. Provide an overall strategy to assume and manage the Athletic concessions and/or the UK HealthCare dining.
2. Provide a transition plan.
3. Provide an implementation schedule.
4. Provide a detailed listing of services to be undertaken by venue.

Copies of existing contracts identifying the expected scope of work for UK HealthCare dining and Athletics concessions are depicted in Attachments 26 and 27 respectively.



## 5.0 EVALUATION CRITERIA PROCESS

A committee of University officials appointed by the Director of Purchasing or his designee will evaluate Proposals and make a recommendation to the Director of Purchasing or his designee. The evaluation will be based upon the information provided in the Proposal, additional information requested by the University for clarification, information obtained from references and independent sources, and oral presentations, if requested.

The evaluation of responsive Proposals shall then be completed by an evaluation team, which will determine the ranking of Proposals. Proposals will be evaluated strictly in accordance with the requirements set forth in this Solicitation, including any Addenda that are issued. The University will award the Contract to the Offeror whose Proposal is determined to be the most advantageous to the University, taking into consideration the evaluation factors set forth in this RFP.

The evaluation of Proposals will include consideration of responses to the list of criteria in Section 4.0. Offerors must specifically address all criteria in their Proposal. Any deviations or exceptions to the specifications or requirements must be described and justified in a transmittal letter. Failure to list such exceptions or deviations in the transmittal letter may be considered sufficient reason to reject the Proposal.

The relative importance of the criteria is defined below:

### Primary Criteria

- Criteria 1 – Offeror’s Qualifications
- Criteria 2 – Dining Services and Facilities
- Criteria 3 – Other Services
- Criteria 4 – Financial Proposal
- Criteria 5 – Evidence of Successful Performance and Implementation Schedule

### Secondary Criteria

- Criteria 6 - Other Additional Information

The University will evaluate Proposals as submitted and may not notify Offerors of deficiencies in their responses.

Proposals must contain responses to each of the criteria, listed in Section 4 even if Offeror’s response cannot satisfy those criteria. A Proposal may be rejected if it is conditional or incomplete in the judgment of the University.

## **6.0 SPECIAL CONDITIONS**

### **6.1 Contract Term**

The contract resulting from this RFP shall be effective upon signature of both parties and shall be effective for either Option 1 – ten (10) years or Option 2 – fifteen (15) years contract period. The University reserves the right, at its discretion, to extend the contract for a term or terms as deemed necessary for the best interests of the University.

### **6.2 Effective Date**

The effective date of the contract shall be the date upon which the Parties execute it and all appropriate approvals have been obtained.

### **6.3 Competitive Negotiation**

It is the intent of the RFP to enter into Competitive Negotiation as authorized by KRS 45A.085.

The University will review all Proposals properly submitted. However, the University reserves the right to request necessary modifications, reject all Proposals, reject any Proposal that does not meet mandatory requirement(s) or cancel this RFP, according to the best interests of the University.

Offeror(s) selected to participate in negotiations may be given an opportunity to submit a Best and Final Offer to the Purchasing Agency. All information-received prior to the cut-off time will be considered part of the Offeror's Best and Final Offer.

The University also reserves the right to waive minor technicalities or irregularities in Proposals providing such action is in the best interest of the University. Such waiver shall in no way modify the RFP requirements or excuse the Offeror from full compliance with the RFP specifications and other contract requirements if the Offeror is awarded the contract.

### **6.4 Appearance before Committee**

Any, all or no Offerors may be requested to appear before the evaluation committee to explain their Proposal and/or to respond to questions from the committee concerning the proposal. Offeror(s) are prohibited from electronically recording these meetings. The committee reserves the right to request additional information.

### **6.5 Additions, Deletions or Contract Changes**

The University reserves the rights to add, delete, or change related items or services to the contract established from this RFP. No modification or change of any provision in the resulting contract shall be made, unless the Contractor and the Director of Purchasing mutually agree to such modification in writing, and incorporated as a written modification to the contract. Memoranda of Understanding and correspondence shall not be interpreted as a modification to the contract.

## **6.6 Contractor Cooperation in Related Efforts**

The University reserves the right to undertake or award other contracts for additional or related work to other entities. The Contractor shall fully cooperate with such other Contractors and University employees and carefully fit its work to such additional work. The Contractor shall not commit or permit any act, which will interfere with the performance of work by any other Contractor or by University. This clause shall be included in the contracts of all Contractors with whom this Contractor will be required to cooperate. The University shall equitably enforce this clause to all Contractors, to prevent the imposition of unreasonable burdens on any Contractor.

## **6.7 Entire Agreement**

The RFP shall be incorporated into any resulting Contract. The resulting contract, including the RFP and those portions of the Offeror's response accepted by the University shall be the entire agreement between the parties.

## **6.8 Governing Law**

Contractor shall conform to and observe all laws, ordinances, rules and regulations of the United States of America, Commonwealth of Kentucky, and all other local governments, public authorities, boards or offices relating to the Property or the improvements upon same, or the use thereof, and will not permit the same to be used for any illegal or immoral purposes, business or occupation. The resulting contract shall be governed by Kentucky Law and any claim relating to this contract shall only be brought in the Franklin Circuit Court in Accordance with KRS 45A-245.

## **6.9 Termination for Non-Performance**

### **Default**

The Director of Purchasing may terminate the resulting contract for non-performance, as determined by the University for such causes as:

- Failure to provide satisfactory quality of service, including, failure to maintain adequate personnel, whether arising from labor disputes, or otherwise any substantial change in ownership or proprietorship of the Contractor, which in the opinion of the University is not in its best interest, or failure to comply with the terms of this contract
- Failure to keep or perform, within the time period set forth herein, or violation of, any of the covenants, conditions, provisions or agreements herein contained.
- Adjudication as a voluntarily bankrupt, making a transfer in fraud of its creditors, filing a petition under any section from time to time, or under any similar law or statute of the United States or any state thereof, or if an order for relief shall be entered against the Contractor in any proceeding filed by or against Contractor thereunder. In the event of any such involuntary bankruptcy proceeding being instituted against the Contractor, the fact of such an involuntary petition being filed shall not be considered an event of default until sixty (60) days after filing of said petition in order that Contractor might during that sixty (60) days period have the opportunity to seek dismissal of the involuntary petition or otherwise cure said potential default.

- Making a general assignment for the benefit of its creditors, or taking the benefit of any insolvency act, or if a permanent receiver or trustee in bankruptcy shall be appointed for the Contractor.

### **Notification**

The University will provide ten (10) calendar days written notice of default. Unless arrangements are made to correct the non-performance issues to the University's satisfaction within thirty (30) calendar days, the Director of Purchasing may terminate the contract by giving ninety (90) days' notice, by registered or certified mail, of its intent to cancel this contract.

### **6.10 Prime Contractor Responsibility**

Any contracts that may result from the RFP shall specify that the Contractor or Contractors is (are) solely responsible for fulfillment of the contract with the University.

### **6.11 Assignment**

The Contractor(s) shall not assign the contract in whole or in part without the prior written consent of the University. Any attempted assignment shall be void.

### **6.12 Permits, Licenses, Taxes and Commonwealth Registration**

The Contractor shall procure all necessary permits and licenses and abide by all applicable laws, regulations and ordinances of all federal, state, and local governments in which work under this contract is performed.

The Contractor must furnish certification of authority to conduct business in the Commonwealth of Kentucky as a condition of contract award. Such registration is obtained from the Secretary of State, who will also provide the certification thereof. However, the Contractor need not be registered as a prerequisite for responding to the RFP.

The Contractor shall pay any sales, use, personal property and other taxes arising out of this contract and the transaction contemplated hereby. Any other taxes levied upon this contract, the transaction, or the equipment or services delivered pursuant hereto shall be the responsibility of the Contractor.

The Contractor will be required to accept liability for payment of all payroll taxes or deductions required by local and federal law, including, but not limited to old age pension, social security or annuities.

### **6.13 Attorneys' Fees**

In the event that either party deems it necessary to take legal action to enforce any provision of the contract, and in the event the University prevails, the Contractor agrees to pay all expenses of such action, including attorneys' fees and costs at all stages of litigation.

### **6.14 Patents, Copyrights and Trademarks**

The Contractor shall protect the University from any and all damages or liability arising from alleged infringements of patents, copyrights or trademarks.

**6.15 Indemnification**

The Contractor shall indemnify, hold and save harmless the University, its affiliates and subsidiaries and their officers, agents and employees from losses, claims, suits, actions, expenses, damages, costs (including attorney fees of attorneys of the University’s choice and court costs) expenses, all liability of any nature or kind arising out of or relating to the Offeror’s response to this RFP or its performance or failure to perform under the contract awarded from this RFP. This clause shall survive termination for as long as necessary to protect the University.

**6.16 Insurance**

The successful Contractor shall procure and maintain, at its expense, the following minimum insurance coverage’s insuring all services, work activities and contractual obligations undertaken in this contract. These insurance policies must be with insurers acceptable to the University.

<u>COVERAGES</u>	<u>LIMITS</u>
<b>Workers’ Compensation</b>	<b>Statutory Requirements (Kentucky)</b>
<b>Employer’s Liability</b>	<b>\$500,000/\$500,000/\$500,000</b>
<b>Commercial General Liability, including operations/ completed operations, products, and contractual liability (including defense and investigation costs) including this contract.</b>	<b>\$3,000,000 each occurrence (BI &amp; PD combined) \$2,000,000 Products and Completed Operations Aggregate</b>
<b>Business Automobile Liability, covering owned, leased, or non-owned autos</b>	<b>\$2,000,000 each occurrence (BI &amp; PD combined)</b>
<b>All Risk Property Insurance covering any real or personal property, including supplies and equipment owned by the Contractor and required to be insured by this contract.</b>	<b>Replacement cost of the covered property.</b>
<b>Employment Practices Liability Insurance.</b>	<b>\$5,000,000 each occurrence and aggregate.</b>
<b>Professional Liability/Errors &amp; Omissions Insurance</b>	<b>\$2,000,000 each occurrence and aggregate.</b>

The Contractor agrees to furnish Certificates of Insurance for the above-described coverage’s and limits to the University of Kentucky Division of Purchasing. The University, its trustees and employees and any of the University’s partners as required by contract must be added as Additional Insured on the Commercial General Liability policy with regards to the scope of this RFP/contract. Any deductibles or self-insured retention in the above-described policies must be paid and are the sole responsibility of the Contractor. Coverage is to be primary and non-contributory with other coverage, if any, purchased by the University. All of these required policies must include a Waiver of Subrogation, except Workers’ Compensation, in favor of the University, its trustees and employees and any of the University’s partners as required by contract.

**6.17 Method of Award**

It is the intent of the University to award a contract to the qualified Contractor whose Offer, conforms to the conditions and requirements of the RFP, is determined to be the most advantageous to the University, cost and other factors considered.

Notwithstanding the above, this RFP does not commit the University to contract for any requirements detailed in this document. The University reserves the right to reject any or all Offers and to waive formalities and minor irregularities in the proposal received.

**6.18 Reciprocal Preference**

In accordance with KRS 45A.494, a resident Offeror of the Commonwealth of Kentucky shall be given a preference against a nonresident Offeror. In evaluating Proposals, the University will apply a reciprocal preference against an Offeror submitting a Proposal from a state that grants residency preference equal to the preference given by the state of the nonresident Offeror. Residency and non-residency shall be defined in accordance with KRS 45A.494 (2) and 45A.494 (3), respectively. Any Offeror claiming Kentucky residency status shall submit with its proposal a notarized affidavit affirming that it meets the criteria as set forth in the above reference statute.

**6.19 Reports and Auditing**

The University, or its duly authorized representatives, shall have access to any books, documents, papers, records, or other evidence which are directly pertinent to this contract for the purpose of financial audit or program review. Records or other information confidentially disclosed as part of the Solicitation process shall not be deemed as directly pertinent to the contract and shall be exempt from disclosure as provided by the Kentucky Open Records Act. Additionally, the Contractor recognizes that any books, documents, papers, records, or other evidence received during a financial audit or program review shall be subject to the Kentucky Open Records Act.

**6.20 Confidentiality**

The University recognizes an Offeror's possible interest in preserving selected information and data included in the Proposal; however the University must treat such information and data as required by the Kentucky Open Records Act, KRS 61.870, et seq.

Information areas which normally might be considered proprietary, and therefore confidential, shall be limited to individual personnel data, customer references, formulae, and company financial audits which, if disclosed, would permit an unfair advantage to competitors. If a Proposal contains information in these areas and the Offeror declares them to be proprietary in nature and not available for public disclosure, the Offeror shall declare in the Transmittal Letter the inclusion of proprietary information and shall noticeably label as confidential or proprietary each sheet containing such information. Proposals containing information declared by the Offeror to be proprietary or confidential, either whole or in part, outside the areas listed above may be deemed non-responsive and may be rejected.

The University's General Counsel shall review each Offeror's information claimed to be confidentiality and, in consultation with the Offeror if needed, make a final determination as to whether or not the confidential or proprietary nature of the information or data complies with the Kentucky Open Records Act.

## **6.21 Conflict of Interest**

This RFP and any resulting contract is subject to provisions of the Kentucky Revised Statutes regarding conflict of interest and the University of Kentucky's Ethical Principles and Code of Conduct (<http://www.uky.edu/Legal/ethicscode.htm>). When submitting and signing a Proposal, an Offeror is certifying that no actual, apparent or potential conflict of interest exists between the interests of the University and the interests of the Offeror.

A conflict of interest (whether contractual, financial, organizational or otherwise) exists when any individual, Contractor, or subcontractor has a direct or indirect interest because of a financial or pecuniary interest, gift, or other activities or relationships with other persons (including business, familial or household relationships) and is thus unable to render or is impeded from rendering impartial assistance or advice, has impaired objectivity in performing the proposed work, or has an unfair competitive advantage.

Questions concerning this section or interpretation of this section should be directed to the University Purchasing Officer identified in this RFP.

## **6.22 Personal Service Contract Policies**

Pursuant to the Kentucky Model Procurement Code (Code), the Government Contract Review Committee (GCRC) of the Kentucky General Assembly may establish policies that govern personal service contracts. Under the Code, a personal service contract is an agreement whereby an individual, firm, partnership, or corporation is to perform certain services requiring professional skill or professional judgment for a specified period of time at an agreed upon price.

### Professional Service Rate Schedules:

The GCRC has established rate schedules for certain professional services and may impact any contract established under the Code. These rate schedules are located on the GCRC website at <http://www.lrc.ky.gov/statcomm/Contracts/homepage.htm>.

### Invoicing of Personal Service Contracts:

The Code was recently amended to establish conditions for invoicing for fees for personal service contracts. It states, "No payment shall be made on any personal service contract unless the individual, firm, partnership, or corporation awarded the personal service contract submits its invoice on a form established by the committee." The Government Contract Review Committee has adopted a personal service contract invoice form that must be submitted as a condition of payment. A copy of the form is located on the GCRC website at <http://www.lrc.ky.gov/statcomm/contracts/PSC%20INVOICE%20form.pdf>.

## **6.23 Copyright Ownership and Title to Designs and Copy**

The Offerors and University intend this RFP to result in a contract for services, and both consider the products and results of the services to be rendered by Contractor hereunder to be a work made for hire. Contractor acknowledges and agrees that the work and all rights therein, including, without limitation, copyright, belongs to, and shall be the sole and exclusive property of the University. For any work that is not considered a work made for hire under applicable law, title and copyright ownership shall be assigned to the University.

Title to all dies, type, cuts, artwork, negatives, positives, color separations, progressive proofs, plates, copy, and any other requirement not stated herein required for completion of the finished

product for use in connection with any University job shall be the property of and owned by the University. Such items shall be returned to the appropriate department upon completion and/or delivery of work unless otherwise authorized by the University. In the event that time of return is not specified, Contractor shall return all such items to the appropriate University department within one week of delivery.

#### **6.24 University Graphic Standards**

The Contractor must adhere to all UK Graphics Standards. University Graphics Standards are maintained by the University Public Relations (UKPR) office and can be viewed at <http://www.uky.edu/regs/graphics/>. Non-adherence to the standards can have a penalty up to and including contract cancellation. Only the UKPR Director or designee can approve exceptions to the University standards.

#### **6.25 PCI-DSS Information Security Requirements**

Contractor shall be required to comply with the Gramm-Leach-Bliley Act (GLBA). To the extent any purchase includes services, including support, such that the provider of the service (defined in the GLBA as "Service Provider") may receive "customer information" through the course of contracted activities with the University, Service Provider agrees to the following additional terms and conditions:

- (a) Throughout the term of this Agreement, Service Provider shall implement and maintain "appropriate safeguards", as that term is used in § 314.4(d) of the FTC Safeguard Rule, 16 C.F.R. § 314, for all "customer information," as that term is defined in 16 C.F.R. § 314.2(b), received by Service Provider pursuant to this Agreement.
- (b) Service Provider shall promptly notify the University, in writing, of each instance of (i) unauthorized access to or use of any customer information that could result in substantial harm or inconvenience to a customer of the University or (ii) unauthorized disclosure, misuse, alteration, destruction or other compromise of any customer information. Within 30 days of the termination or expiration of this Agreement, Service Provider shall destroy all records, electronic or otherwise, in its or its agents' possession that contains such customer information and shall deliver a written certification of the destruction to the University.
- (c) Service provider consents, upon reasonable advance notice, to University's right to conduct an on-site audit of Service Provider's security program.
- (d) Notwithstanding any other provisions of this Agreement, University may terminate this Agreement for cause if Service Provider has allowed a material breach of its security program, if Service Provider has lost or materially altered customer information, or if the University reasonably determines that Service Provider's security program is inadequate.
- (e) Service Provider shall defend, indemnify, and hold harmless University, its agents, officers, board members, and employees from and against any and all claims, damages, losses, and expenses, including reasonable attorney's fees, for any claims arising out of or in any way relating to any allegations of security breaches, violations of the Safeguard Rule caused by Service Provider's negligence, intentional acts or omissions, or any loss or material alteration of customer information.



- (f) Service Provider shall reimburse the University for any damages, including but not limited to any costs required to reconstruct lost or altered information, resulting from any security breach, loss, or alteration of customer information.

Contractor hereby agrees as follows:

- (a) Contractor shall be responsible for the security of cardholder data that it possesses, even temporarily, including any functions relating to storing, processing and transmitting of cardholder data on behalf of the University of Kentucky. In the case of a payment processing system and/or equipment purchased from Contractor that is covered by PA DSS (Payment Application Data Security Standard), Contractor warrants and represents that its software and/or equipment shall not impede the University's PCI DSS (Payment Card Industry Data Security Standard) compliance efforts. In the event that Contractor's software and/or equipment does impede such efforts, the University may, in its sole discretion, upon thirty (30) days' notice and opportunity to cure, terminate this Agreement, with any prepaid amounts refunded to University on a pro-rata basis.
- (b) Contractor warrants and represents that, as of the effective date of this Agreement, it has complied with all applicable requirements for validation and compliance with the PCI DSS (Payment Card Industry Data Security Standard), as appropriate for its Service Provider level. Contractor agrees to supply the current status of its PCI DSS compliance, and evidence of its most recent validation of compliance, upon execution of this Agreement. Further, Contractor must supply to the University a new status report and evidence of validation of compliance at least annually and upon request by the University. Contractor will immediately notify the University if it learns that it is no longer PCI DSS compliant and will immediately report to the University the steps being taken to remediate the non-compliance status. In no event should Contractor's notification to the University be later than seven (7) calendar days after Contractor learns it is no longer PCI DSS compliant. Failure to maintain PCI DSS compliance shall be a breach of contract and the University may, at its sole discretion, terminate this Agreement if Contractor does not become compliant within thirty (30) days, with any prepaid amounts refunded to University on a pro-rata basis.
- (c) Contractor warrants and represents that, as of the effective date of this Agreement; it has complied with all applicable requirements for validation with the PA DSS (Payment Application Data Security Standard) for its payment processing system. Contractor agrees to supply evidence of its most recent validation upon execution of this Agreement. Further, Contractor agrees to maintain PA DSS validation for the installed payment processing system version throughout the term of any maintenance agreement with the University. If the PA DSS validation deadline for the payment system lapses, Contractor acknowledges that it shall be in breach of this Agreement and the University may, at its sole discretion, terminate this Agreement if Contractor does not become compliant within thirty (30) days, with any prepaid amounts refunded to University on a pro-rata basis.
- (d) While doing business in University facilities or on its property, if credit card payments will be processed over the internet via the Contractors own system and/or equipment and through its own merchant account, Contractor will provide its own internet connection to process such payments, and will not be permitted to use the University network and equipment.

**6.26 Minority and Women Owned Businesses**

The University of Kentucky is committed to maximizing the utilization of minority and women owned businesses in the procurement process. All interested minority and women owned businesses are encouraged to submit a Proposal in response to this RFP. Additionally, all Offerors are expected to make a good faith effort to utilize minority and women owned businesses in subcontracting opportunities.

## 7.0 Scope of Work and Services

Contractor shall furnish all management, operations, labor, equipment, goods, and supplies necessary to provide professional Dining Service operations to the University of Kentucky to include full-service dining, accommodations for limited and controlled alcoholic beverage for future consideration, and non-alcoholic beverage services, including cash retail plans, short-term meal plan, catering plans and board plans all in accordance with the terms of the contractual agreement.

Exceptions to the scope of work include the following:

- Dining facilities and catering at the Boone Center and Spindletop Hall
- On-campus vending
- The Plus Card
- The University Bookstore
- The Cat's Den located in the Student Center
- Any research or agricultural stations located throughout the Commonwealth including, but not limited to Coldstream Research Park.
- Pouring Rights Agreement
- Isotonic Sideline Agreement

The University will consider Proposals to incorporate Athletic Department concessions and UK HealthCare dining, however, such Proposals shall be submitted as alternate Proposals. The scope of work required for each Proposal is identified in Attachments 26 and 27.

The University currently has entered into agreement for an exclusive beverage vending and pouring rights contract related to the dispensing sale, advertising, and promotion of beverages at the University (See Attachment 31). The Contractor shall work with the existing pouring rights contractor and the Contractor must adhere to the terms and conditions of the contract. The current contract term is through July 31, 2015 with renewal options through July 31, 2017. A percentage of competitive products are allowed in the contract; the University is interested in the Contractor providing water branded with the University logo within the convenience stores and grab and go locations on campus. Additionally, the University has a separate agreement for vending sales and it is excluded from this RFP.

The University, under an exclusive agreement, has conveyed Isotonic Beverage and Sideline Rights to a third party vendor. Contractor shall abide by the terms of this agreement including the dispensing of sports beverages to student athletes, coaches and staff at University athletic facilities and the advertising and merchandising rights on all athletic sidelines, including the use of marks and logos, as conveyed in the agreement.

The project scope consists of these major components.

1. The Contractor will be required to assume the entire activities related to current retail dining locations, including branded food concepts and convenient stores.
2. The Contractor to construct and or fit up of shell space. The University's Master Planner, Sasaki and Associates, working in consultation with EdR has recommended locating the dining facilities to accommodate the newly constructed student housing at these different locations:
  - a. A new Cold-Dark Shell space at Haggin Hall, available in summer 2014
  - b. A North Campus location to replace Blazer Café, in summer 2016

- c. A student center satellite is currently number two on the University's capital request. If authorized by the legislature, the facility would be constructed on central campus in the 2014-16 biennium.
  - d. Replacement for Commons, date to be determined
  - e. Gatton College of Business, Vanilla Box, available In Fall 2015
3. The Contractor to assume the catering and other internal food service activities including athletic training tables.

The University's Dining currently has approximately 740 employees (114 full time, 125 temporary part time, and 501 student workers) and an essential priority within this RFP is to promote a smooth transition from an in-house operation to a contract provided dining service.

All full time University dining employees (on the payroll as of February 1, 2013) shall remain University employees with the same salary and benefits; the University will be reimbursed by the Contractor for all related employee expenses including salary, benefits and any other direct costs. Contractor will reimburse the University at time and a half (1 ½) for all University holidays (see Attachment 3). These employees will be under the direct management of the Contractor and will be required to follow the Contractor's Human Resource (HR) policies. The Contractor and University will work together to develop consistent HR policies to meet the needs of both parties.

The Contractor shall be directly responsible for managing all UK Dining employees including but not limited to:

- Supervise/manage day to day operations
- Evaluate performance
- Scheduling
- Promotions and pay increases
- Modifying job descriptions
- Grievance policies
- Disciplinary actions (up to and including firing)

The University shall be directly responsible for the following:

- Vacation accruals
- Sick leave accruals
- Holiday accruals
- Providing insurance
- Retirement

The Contractor shall employ all new hires. In addition, the Contractor is encouraged to make significant and effective use of student workers in the provision of dining service. See Attachments 5 and 6 for details on employee job titles as well as pay and benefit structure.

## **7.1 Dining Specifications**

### **7.1.1 Management and Personnel**

- A. The Contractor shall maintain an adequate staff on duty at the University at all times to ensure a quality dining service operation. In order to maintain a high quality of service, the Contractor shall be responsible for providing expert, experienced, and qualified personnel for administration and supervision, menu planning and dietetics, production,

purchasing, service, sanitation, and marketing on campus and/or at the Contractor's district, regional or corporate level.

- B. The Contractor shall be solely responsible for all personnel actions regarding employees (both direct and reimbursed). The Contractor shall have the capability of and be financially responsible for complying with all applicable federal, state, and local laws and regulations regarding the employment, compensation, and payment of personnel. This includes, without limitation, unemployment insurance, worker's compensation, and other taxes, health examinations, permits, and licenses. The Contractor shall act as an independent contractor, and not an agent of the University, in all aspects of any management and operational duties and responsibilities in its delivery of the University's dining services.
- C. The University shall have the right to conduct interviews of proposed candidates for the Contractor's Resident District Manager, Executive Chef, and Catering Manager positions (or equivalent position titles) and to review the Contractor's final recommendation before an appointment is made. While the University reserves the right to review and comment on such appointments, the Contractor alone will have the right to make such appointments and will be solely responsible for the employment decision. The Contractor shall not transfer or change the resident director unless thirty (30) days advance notice in writing is provided to the University and a suitable replacement is on-site.
- D. The Contractor is responsible for the on-campus behavior of all its employees. Contractor's employees will abide by all rules and regulations which govern the University' employees. Infraction of those rules and regulations may result in the University requesting that the individual no longer be employed at the Contractor's University account.
- E. As a courtesy and to assure that there is a known contact in charge for the Contractor in an emergency, the Contractor shall notify the University Dining Liaison when the Resident District Manager (or equivalent position title) will be out of town and who has authority to make decisions in his or her absence.
- F. Contractor shall conduct a thorough background check on all employees providing service to the University, which shall include a Pre-employment National Background Check, reviewing the National Sex Offender registry and drug testing. Contractor shall utilize the University's decision grid when hiring.
- G. Contractor and its employees will comply with all applicable ethical standards. Contractor shall provide the University with its proposed employee incentive plan on an annual basis.
- H. Contractor shall provide a thorough orientation and on-going training for its employees at the Contractor's expense. Training shall include, but not be limited to, areas of sanitation, food handling, equipment operation, safety, security, emergency procedures, customer relations, point-of-sale and electronic access system operation, energy conservation, recycling, nutrition awareness, sexual harassment training, and diversity training. A special emphasis should be made to ensure that student employees, including international student employees who may be learning English as a second language, are provided adequate orientation and training, especially safety training. A

copy of the proposed annual training schedule and program should be provided to the University each year.

- I. All employees who intend to park their personal vehicles on campus are required to purchase a campus-parking permit. The Contractor is also required to purchase a campus-parking permit for any Contractor owned or operated vehicles parked on campus. For further information see the University's Parking and Transportation at <http://www.uky.edu/pts/>.
- J. The University expects the Contractor to employ at least as many students as currently employed by UK Dining. UK will give important consideration to Contractor's plans regarding recruitment, retention and promotion of student workers. Recruitment, salary, and conditions of employment shall be in keeping with policies of employment for student workers in other comparable campus jobs. First priority for part-time employment must be given to registered UK students. A salary increase program shall be developed which recognizes merit and length of service and is consistent with UK student wage classification system. Favorable consideration will be given to Offerors for meaningful professional opportunities for students (e.g. internships).
- K. The University will provide Kronos for the current 114 UK employees to track time and interface with SAP. The Contractor has the option to use the same time clock for direct employees. The Contractor will have the responsibility to approve time worked by UK employees on a weekly basis. The University will provide a calendar and explanation of pay periods.
- L. **OPTIONAL:** UK reimbursed employees will continue to have access to UK Human Resources training and development at no cost. If Contractor wishes to extend this to Contractor employees it can do so under the following conditions. Per employee cost is approximately \$100 during year one per regular full-time employee. Future rates would be determined annually, based on **all employee headcount** excluding student workers and STEPS employees; timing of charges and payments to be determined.
  - UK Dining Contractor employees would be required to participate in UK New Employee Orientation.
  - New supervisors in UK Dining would be required to complete UK Supervision.
  - Any free T&D workshop would be available to UK Dining employees, either with the approval of their supervisors or on their own time.
  - Workshops that are fee-based (7 Habits, Experienced Leader Academy, Crucial Confrontations) would be available for the same fee charged to UK employees.
  - Registration for classes would occur through myUK as UK employees currently do. Contractor employees would be able to access the system as external learners.
  - UK Dining would be able to use the consulting services of T&D and request specialized training at no additional charge.
  - Career Development services would not be available to Contractor employees

### **7.1.2 Equipment - Inventory, Procurement, and Repairs**

- A. Prior to the start of the Agreement, the University and the Contractor shall jointly inspect the inventory of small wares (e.g., china, glassware, flatware, trays and kitchen utensils), expendable and non-expendable supplies and service equipment. The Contractor and the University will then mutually develop a prioritized list of all university-owned small-wares that

the Contractor desires to use during the contract term. The Contractor shall maintain such minimum stock levels as a cost of doing business.

- B. Prior to the start of the Agreement, the University and the Contractor shall jointly inspect the inventory of capital equipment. The Contractor and the University will then mutually develop a prioritized list of all equipment that needs to be replaced as well as identify new types of equipment that need to be purchased. See Attachment 9 for the existing capital equipment inventory.
- C. The Contractor shall purchase and retain ownership of the 2013 27-foot food truck (see Attachment 10) in the amount of \$160,000.00.
- D. The Contractor will be responsible for purchasing all replacements for obsolete equipment or additional equipment; the Contractor shall transfer title to the University for all such equipment (excluding third party equipment). The Contractor agrees to provide the University with an itemized list and bill-of-sale that appropriately identifies the equipment being transferred within ninety (90) days of the purchase date of such equipment. The Contractor is responsible for all taxes, including sales tax, if applicable.
- E. The University shall provide office space as needed and agreed upon by both parties. The Contractor shall be responsible for maintenance of such space, keeping it in good condition and repair. The Contractor shall at its own expense furnish any additional office furniture not included in the current offices.
- F. On termination or expiration of the Agreement, the University shall conduct a physical inventory of all non-expendable supplies and capital equipment. At that time, the Contractor shall surrender the facilities and non-expendable supplies and equipment to the University in as good condition as at the start of the Agreement, excepting ordinary wear and tear and loss or damage by fire, flood, and other perils covered by extended coverage insurance. The inventory must be equal to the original inventory plus any additional (not replacement) equipment provided during the life of the Agreement. The un-depreciated value of additional capital equipment, (purchased by the Contractor and listed and agreed to by the University), at the time of a transition would be purchased by the new Contractor or the University. Depreciation will be straight-line method over ten or fifteen years depending upon the term length of the contract.
- G. The University will provide **existing** point of service equipment that is tied into the use of the Plus Card. Details on the system are provided in Attachment 11.
- H. The Contractor, at its cost, will provide any office machines necessary for the management of the dining service operation including computers (and software), printers, facsimile machines, copy machines, calculators, and other similar items.
  - a. The Contractor shall be responsible for performing the proper use and care for the equipment and facilities it is assigned and/or uses in the performance of its daily duties as specified by the equipment manufacturers. Kitchens, offices, storage areas, serveries, which are solely assigned to the Contractor will be cleaned and maintained solely by the Contractor. The Contractor shall be responsible for performing first level (Contractor) preventive maintenance on all equipment, fixtures, furnishings, and interior building components. The University requires that the Contractor provide and maintain a preventative maintenance plan, to be implemented by the Contractor for all UK owned equipment that will be utilized by the

Contractor. The University will be responsible for providing all services to the buildings and will be responsible for all exterior maintenance including exterior walls and roofs. The University shall only conduct the disposition or declaration as surplus of any capital equipment owned by the University.

- b. The Contractor has the option of utilizing the university's Managed Print Services Contract for all printing output devices.
- I. The Contractor shall provide, at its own cost, any other equipment not provided by the University that the Contractor deems necessary to implement its unique concepts. The installation of permanent Contractor or supplier owned equipment shall require the prior written approval of the University.
- J. The Contractor shall be responsible for repair and maintenance of all University owned equipment. The cost of these repairs will be paid by the Contractor, except where it has been determined by the University that damages were due to its negligence or an event under its direct control and responsibility.

### **7.1.3 Food and Other Supplies**

- A. The Contractor shall be responsible for all costs (as a part of doing business) for required food, paper, office, janitorial, and chemical supplies for the operation of the dining facilities.
- B. On expiration or termination of the Agreement, inventories of food and expendable supplies of the Contractor shall remain those of the Contractor.

### **7.1.4 Utilities & Technology**

- A. The University shall be responsible for providing electricity, gas, steam, water, sewer service, and air-conditioning, where applicable, for the Dining service operations. Where it is separately metered the Contractor shall be solely responsible for those utilities as a cost of doing business. The Contractor, through a recharge utilities fee, will pay for the remainder of the dining facilities on a prorated cost per square foot basis (See Attachment 12).
- B. The University does not guarantee an uninterrupted supply of water, steam, electricity, gas, heat, or air conditioning. However, the University shall take reasonable efforts to effect restorations of the service following an interruption. The University shall not be liable for any damages or losses attendant thereto, including without limitation, product loss that may result from the interruption or failure of any such utility services, nor any loss of use or lost profit.
- C. The Contractor shall assume responsibility for maximum utility/energy conservation. The Contractor shall adopt and enforce a policy of turning off or down lights, fans, water, ovens, steam equipment, and other energy consuming items when the Dining Service facilities are not in use or when business volume dictates a reduction in the use of utilities.
- D. The Contractor shall use the University telephone system and shall pay all connection fees and monthly long distance phone charges as a cost of doing business. For information regarding rates visit the UK Information Technology website at <http://www.uky.edu/ukit/cns/rates>.



- E. The Contractor shall reimburse the University the costs of Microsoft and Adobe for the University reimbursed employees at a current 2013 cost of \$82.00 annually per employee. The Contractor, as a pass-through, will reimburse UK at future year actual expense costs for this software.

#### **7.1.5 Sanitation and Safety**

- A. The Contractor shall provide daily housekeeping and all major cleaning/janitorial functions along with requisite sanitation services for **dedicated** food service areas. These facilities will include, but not be limited to, production and serving areas, dining rooms, convenience stores/snack bars, refrigerators, freezers, receiving and storage, trash and garbage, employee locker and rest rooms, offices, hallways, stairs, and related spaces used by the Contractor.
- B. The Contractor shall ensure that all employees are trained in the highest standards of sanitation and safety and supervised in a "clean as you go" policy that will result in a clean and orderly facility at all times.
- C. The Contractor shall develop, implement, and update cleaning and sanitation schedules for all equipment and areas as assigned. Cleaning must be sufficient to provide protective maintenance against unnecessary deterioration, and provide a clean, neat, and sanitary appearance. Upon review and approval by the University Dining Liaison, schedules will be posted and implemented within (30) thirty days of the beginning of the Agreement. Sanitation must meet the standards of the Kentucky Department of Agriculture and the University.
- D. The Contractor shall be responsible for routine cleaning of the hood exterior and interior surfaces and filters. The Contractor will submit a monthly cleaning report for cleaned hoods and ducts to the University Dining Liaison.

For purposes of risk management, the University shall retain responsibility for all maintenance functions for the hood and fire extinguisher system. The University will recharge the Contractor, based on actual costs from a third party, for the annual cleaning and inspection of interior hood duct, plenums, related vents and fans and fire extinguisher system.

The Contractor, at its expense, shall clean the grease traps on a regular basis to maintain the efficiency of the trap. A cleaning rotation log and log for the grease trap shall be kept to ensure that it is kept operating in peak condition. If the Contractor does not properly maintain any grease trap, the University shall call in a professional service at the Contractor's expense.

- E. When the UK Dining areas are closed for University holidays or shutdowns, these areas will be left in a clean and ready-for-inspection condition. These down times will be used by the Contractor, at its expense, to do deep cleaning services of carpets, upholstery, strip/waxing floors, steam cleaning equipment, window washing, ceiling tile and lighting cleaning and dusting.

An annual joint inspection between the Contractor and the University Dining Liaison shall be conducted of all facilities at the close of each academic year.

- F. The Contractor shall be responsible for providing, cleaning, and maintaining an adequate inventory of table linens, aprons, towels, and other related dining service linens.
- G. The Contractor shall be responsible for providing food handler certificates and/or medical examinations as required by law and shall make such records available for review upon University request. All employees will receive a sanitation orientation and/or in-service training as to the minimum sanitation and hygiene requirements. All management and supervisory personnel must be ServSafe certified.
- H. Employees shall be in uniform as approved by the University Dining Liaison and wear a visible nametag identification at all times while on duty. Management shall be appropriately dressed (but not necessarily in uniform) and wear nametag identification. The Contractor will be responsible for providing five new UK Dining uniforms to all full time employees and enough uniforms for part-time employees to have clean uniforms for one week's shift's each summer.
- I. The Contractor's employees shall be neat and tidy in appearance and shall follow established hygiene legal mandates and dining service industry best practices in the handling of food.
- J. The Contractor shall not allow employees to work with known illnesses (those transmitted through the air or via the food products, equipment, or other mediums), open sores, or other symptoms. Any contagious disease such as hepatitis must be reported immediately to the University.
- K. The University shall be responsible for all costs of insect and pest control in all assigned areas for production, service, and storage and will back charge the Contractor on an agreed to pro rata basis.
- L. The Contractor shall comply with both present and future recycling programs as adopted by the University. The Contractor shall cooperate with the University on any recycling programs it undertakes which may include recycling and donating excess food, packaging, and other items. The Contractor shall comply with both present and future sustainability and social justice programs as adopted by the University. In addition the Contractor shall be pro-active in working with the campus to bring new sustainability and social justice ideas to the campus.
- M. The Contractor shall immediately report fires, unsafe conditions, thefts, and security hazards to the University. The Contractor should first contact University of Kentucky Police Department (UKPD) to complete an incident report, then the contract administrator and building representative. The Contractor shall immediately fix and report to the University any conditions cited in any citations by local, state, or federal agencies or those identified by the University's Dining Liaison for unsafe conditions to the University.
- N. The University reserves the right to periodically conduct an unannounced inspection with or without the Contractor. Consultant inspectors for all state and local authorities and from the University shall have complete cooperation from the Contractor. When state and local authorities arrive for inspection, the University shall be notified and, whenever practical, will be present for the inspection. The Contractor shall transmit to the University a copy of the inspection report within (48) forty-eight hours of receipt. Within

- five (5) working days, the Contractor shall provide the University with a written report of corrective action if necessary. In the event that corrective action is a joint responsibility, the Contractor shall notify the University of its responsibility in the matter and will work with the University in the implementation of such action.
- O. The University shall furnish and maintain fire extinguisher equipment and supplies. The Contractor shall notify the University immediately after any fire extinguisher use or discharge.
  - P. The University shall provide, at Contractor's expense, the removal of any recycling, trash and garbage taken to the designated area of each facility on an agreed to pro rata basis. The Contractor will cooperate with the University in minimizing disposal costs. Storage of refuse and recycling should be in appropriate clean containers and in unobtrusive areas of the facility, not in the production or dining areas.

#### **7.1.6 Space Use**

- A. The University retains the right, without unreasonably interfering with normal food service operation, to use the dining areas for a variety of activities that may or may not be food service related. The University shall schedule with the Contractor prior to such usage. The University shall perform appropriate setup and cleanup with no cost charged to the Contractor. Facilities will be restored to conditions mutually satisfactory to the Contractor and the University at the conclusion of the non-food service use.
- B. When the Contractor uses areas which are not assigned to it pursuant to this Agreement, or which are not primarily intended for dining service, e.g., meeting rooms and lounges for such purposes (cater meals, receptions, etc.), the Contractor will perform the appropriate setup and cleanup for that area. Facilities will be restored to conditions satisfactory to the University before the next scheduled use of the area. This includes maintenance and sanitation of the area and equipment and trash removal to a designated trash collection container.

#### **7.1.7 Security**

- A. The University shall provide general security to the campus locations occupied by the Contractor. It is agreed that the campus locations assigned to the Contractor are for use solely to fulfill the Contractor's duties. And, that the Contractor shall, at all times, keep University facilities secured. In the event the Contractor is required to share premises, e.g., when a cafeteria dining room is used for programming, the University shall return the dining room to its standard of security during those times when the Contractor's portion of the facility is closed. The Contractor shall be responsible for any loss or damage resulting from the Contractor's failure to provide adequate security under these circumstances.
- B. The Contractor shall be responsible for accounting for the location of all keys or locking devices provided to the Contractor at the onset of the Agreement. The Contractor shall be responsible for the cost of replacement of lost keys. If the University determines that keys lost by the Contractor or its employees could compromise campus security, the Contractor shall be responsible for paying all costs associated with re-keying designated locations. Prior to the commencement of the Agreement, or at any time during the Agreement term, the Contractor may request the University to re-key the facilities with the Contractor paying any costs of such re-keying. The Contractor shall

be responsible for purchase of and replacement of the "ONE-CARD" for all employees. Procedures will be in place for reporting lost or stolen cards.

- C. The Contractor shall be responsible for immediately reporting to the UKPD any break-ins or unauthorized entries into the dining service areas and all property losses associated therewith. The Contractor shall be responsible for reporting to the University all accidents involving its staff or customers and all disputes or behavioral incidents involving staff, students or patrons that occur in or around the premises. The Contractor should first contact UKPD to complete an incident report, then the contract administrator and building representative. The University shall not be responsible for the criminal acts of third parties.

#### **7.1.8 Marketing**

- A. The University of Kentucky requires the Contractor to be responsible for the marketing of dining services. These marketing services are to include, but not limited to, advertising food items, types of dining services offered, and information about Contractor's key personnel.
- B. The Contractor shall regularly employ marketing, advertising, and promotional efforts to further the visibility and image of UK Dining. Contractor shall provide an annual strategic Marketing Plan to University Dining Liaison based on University preferences and needs identified by customer input. The Marketing Plan shall include target marketing, advertising, couponing, and promotional programs and strategies. Contractor shall actively and aggressively market the Services to be provided at each Dining Service Location, including the use of web page, social media outlets, etc.
- C. The University of Kentucky shall encourage and cooperate with the Contractor to promote the merchandise services and products to the fullest extent to attract students, staff, guests and faculty to enjoy and fully utilize the facilities. UK desires that the Contractor bear all costs associated with design, development, and printing of promotional brochures, banners, signs, etc., except as may specifically be agreed upon in advance by UKPR representatives.
- D. The University requires that Contractor develop and publish, no later than May 31<sup>st</sup> each year, a student information brochure available for distribution to students during summer orientation and to those enrolling for the fall and spring semesters. UKPR and the UK Dining Liaison shall approve the brochure in advance.
- E. The University requires that Contractor develop and distribute a monthly calendar identifying special events, premium entree nights, food specials, and any other promotional dining activities.
- F. The University requires that Contractor's Marketing Manager be available to coordinate and/or assist with joint promotion of products and services. Additionally, the Contractor's Resident District Manager (or equivalent position title) will meet with UK representatives as mutually agreed and as needed. The Contractor's Resident District Manager (or equivalent position title) will also participate in meetings of the University's Dining Advisory Committee as required.
- G. The Contractor agrees to maintain the University of Kentucky on their preferred client list as available for reference visits.

Contractor should note that UK retains ownership and controls use of all University trademarks, trade names, logos and similar proprietary material. All such items belong to exclusively to UK. Prior written approval from UKPR must be obtained in connection with any use of UK marks.

#### **7.1.9 Customer Monitoring**

The Contractor shall cooperate with the University in monitoring customer satisfaction for value received through an objective evaluation system involving customer representation from a cross section of the University community, including University guests. All satisfaction survey instruments used must be approved by the University Dining Liaison prior to distribution and the results thereof shared as part of the quarterly reviews. The Contractor is expected to conduct web-based surveys once per semester. Other feedback, including for example social media and e-mails, shall be reported on a quarterly basis.

There will be a website link for the campus community to communicate both compliments and suggestions regarding campus dining to include catering. The University's Dining Liaison and the Contractor's Resident District Manager (or equivalent position title) shall both receive these communications and mutually agree on the manner in which each is handled.

#### **7.1.10 University Dining Advisory Committee**

A University Dining Advisory committee will be established to include representatives of both contract board and retail customers. The Contractor shall regularly meet with Committee members to discuss a variety of issues including, but not limited to, menus, pricing and portions, menu specials, premium and festive meals, sustainability, preparation and service standards and practices, hours, trends, and news of the Dining service industry.

#### **7.1.11 Wellness/Nutrition Awareness**

A nutrition awareness program planned and executed under the leadership of the Contractor shall be provided and shall be designed to communicate in a positive, upbeat style through a variety of informational formats, the need for a commitment to lifelong maintenance of good health through correct eating habits and physical activity. The program shall meet the following minimum requirements:

- A. Provision of nutritional analysis, by portion, of each menu item, to indicate amounts of calories, fat (animal and trans fat must be clearly identified), sodium, sugar, carbohydrates, etc. All entrees/sauces that contain meat shall have the types of meat listed on the menu card. The University may request additional nutritional information based on current industry and market trends. The Contractor shall be responsible for all expenses relative to the labeling. The serving area for each food item must display this information.
- B. Availability of recipe files for customer review of nutrition information is a requirement.

- C. All products that might be medically harmful (i.e. peanuts, gluten and/or soy products) or violate religious dietary laws must be clearly identified at the point of service (all dining locations and all catering events).
- D. Provision of a Food Intolerance station. This station shall have food specifically prepared for students with gluten intolerance, lactose intolerance or other food allergies. Appropriate signage shall reflect offerings, and that students with severe nut allergies may still need further assistance. A meat item, a vegetable, a starch, bread and dessert meeting the student's special dietary requirements are to be offered daily,

#### **7.1.12 Menu**

- A. Menu selections shall be planned to enable the University community clientele to meet appropriate recommended dietary allowances set by the Food and Nutrition Board of the National Research Council. In addition to popularity and cost factors, menus shall be planned to be appealing to sight, taste and smell and shall take into consideration contrasts in color, shape, texture, and flavor of foods.
- B. Weekly board and retail menus shall be designed to be attractive and posted in prominent places in the dining areas, on the web site, and other locations agreed upon with the University. Daily menus shall be posted in prominent locations of the dining areas and substitution of menu items shall be noted. Menus shall be available at least 72 hours before they go into effect in both print and electronic mediums.

#### **7.1.13 Purchasing Standards**

- A. The Contractor is required to purchase and promote locally grown food products, particularly those companies participating in the Kentucky Proud Program. Food products can include those from the fruit, vegetable, nut, poultry, dairy, cattle, peanut, soybean, swine, and aquaculture industries. Local purchases must have direct farm to table value as outlined in the KY Department of Agriculture's "Restaurant Rewards" program for **Kentucky Proud**<sup>TM</sup> members.
- C. Purchase of food, supplies, and equipment shall meet requirements of the United States Department of Agriculture (USDA), Food and Drug Administrations (FDA), and National Sanitation Foundation (NSF). In the absence of grade labeling, the Contractor shall provide the University, upon request, with package labeling codes or industry accepted grade equivalent standard to verify the minimum grades specified are being provided. In addition, the Contractor must be prepared to assure the University that all of its food and supply vendors meet, if not exceed, all regulatory body laws and standards.

Food purchased by the Contractor shall meet or exceed the purchasing specifications for each item listed below. Natural, organic and locally grown foods should be considered preferable whenever cost effective. Minimum food specifications as follows:

- Beef and Veal - USDA Choice, except for meat used in extended dishes that may be USDA Standard.
- Pork and Lamb - USDA Grade A (#1).
- Poultry - USDA Grade A.
- Seafood - USDA Grade A.
- Eggs - USDA Grade A (Large or Medium).

- Dairy Products - USDA Grade A.
  - Frozen Foods - USDA Grade A Fancy.
  - Fresh Produce - USDA #1 Quality or Grade "A" Fancy.
  - Canned Foods - USDA Grade "A" Fancy, except Choice may be used for cooking purposes; fruits should be packed in light syrups.
  - Cheeses such as Cheddar, Swiss, and Monterey Jack shall be all natural, non-processed, when served as a prime ingredient in an entree, a sandwich ingredient and sandwich spreads. American Process Cheese may also be served as an alternative sandwich ingredient. In addition, processed cheese may be used in some cooking or as a less expensive alternative for some non-entree foods.
  - Ground Beef - USDA Standard or better, ground beef and beef patties shall be 100% all beef and fat content shall not exceed 20%.
  - Veal and Pork steaks shall be solid meat portions - unbreaded and not preformed from chopped or ground meat.
  - Frankfurters/Hot Dogs - maximum eight per pound, all meat, no filler. Turkey franks may be used as an alternate to satisfy certain health and ethnic diet requirements.
  - Processed lunch meats such as bologna and salami shall be a quality "all meat" or a turkey product.
  - Whole meat as defined for the dinner meal will include roasts, chops, chicken, etc. Fish will be an appropriate substitute for the whole meat requirement one (1) night per week. This is not intended to restrict more frequent selections of fish. Chopped formed patties, frequently called steaks, will not satisfy the whole meat requirement.
- C. The Contractor shall maintain rigid procurement procedures throughout the entire process of purchasing, receiving, storing, and inventorying of all foods and direct supplies.
- D. The Contractor shall utilize exclusive University vendor contracts where required as outlined in Attachment 13.

#### **7.1.14 Preparation Standards**

- A. Cook-to-order and progressive batch cooking should be the normal method of operation, staggering the preparation of food whenever possible so that nutritional value, temperature, and overall quality can be maintained during serving hours.
- B. Recipes standardized for quality, yield, cooking procedures, serving containers and utensils, and portion size shall be used to assure product and portion consistency.
- C. Leftover foods shall be kept to a minimum, refrigerated as necessary in shallow pans after each meal, properly covered, and used promptly. All leftovers that require refrigeration shall be properly chilled and stored in one location labeled and dated and served within (24) twenty-four hours as an extra selection.

#### **7.1.15 Service Standards**

- A. Hot foods are to be served hot (above 135 degrees Fahrenheit) and cold foods are to be served cold (below 40 degrees Fahrenheit). Industry best practice standards should be used for thawing, chilling, and re-thermalizing all food products.

- B. All food shall be garnished for attractive presentation.
- C. Any food appearing discolored, unappealing, or not in a proper state of freshness shall not be served.
- D. Food items at the servicing stations and salad bars shall be readily identifiable with attractive and individual labels.
- E. Appropriate wrappings for grab and go foods shall be used as needed. Wrapping shall be both attractive and serviceable, and, if possible, recyclable or compostable. All foods prepared on campus for resale must be clearly labeled with ingredients, nutritional information and both preparation and expiration dates.
- F. Display and serving areas shall be kept clean, sanitary, orderly, and attractive at all times. Any spillage or soiled spots shall be removed promptly from counters, steam table pans, general serving and dining areas, and floors. Partially used and broken items shall be promptly removed from the serving area.
- G. Students shall be allowed to use reusable clamshell take out container of food and a beverage to take out of the all you care to eat dining rooms. This is in exchange for not eating a meal in the dining room during a specific timeframe.
- H. The Contractor shall provide, at its expense, special food during the week of final exams for all contract students (for example. a variety of hot and cold drinks, hot dogs, pizza, cookies, chips, late night hot breakfast, etc.) with hours and locations to be determined and provided by the University Dining Liaison.
- I. The Contractor shall provide theme meals and other programming variety meals during each semester.

#### **7.1.16 Special Diets**

The Contractor shall provide special diets for students when approved in writing by the designated University representative. The Contractor's corporate dietitian shall assist the resident Director in providing the diets as approved. The Contractor shall also participate in the existing campus policy for mandatory meal plan waivers based upon medical and/or religious dietary concerns.

#### **7.1.17 Hours of Operation**

- A. Once established, hours of operation may not be changed without the express written permission of the University's Dining Liaison.
- B. During academic recesses and holiday periods, the hours of operation may be adjusted or suspended if approved by the University's Dining Liaison.

#### **7.1.18 Catering Specifications and Terms**

- A. The Contractor shall have exclusive rights to cater all special functions held within the Dining Service facilities that are under the jurisdiction of UK Dining and any future UK Dining locations as determined and approved by the University and authorized by the



University Dining Liaison. Exclusivity of catering is limited to the Student Center and the dining facilities only at Blazer and Commons. The University, at its discretion, may use the Contractor for catering at other locations. This is to include but not be limited to receptions, banquets, private parties, refreshment service, carryout service, and other special events. The catering program should reflect the diverse needs and budget limitations of students, faculty, staff, and administrators in its service menu.

B. Catered service procedures, operational requirements, and menus shall provide five levels of service for catering:

1. Fine dining
2. Standard table linen, china, and flatware
3. Paper and disposable
4. Pick-up/carry out ("no frills")
5. Student organizations

A complete catering guide to menus, prices, portions, servings, catering policies, minimums, additional charges, etc. shall be submitted to the appropriate University departments for their review and comment prior to the start of the Agreement.

C. The Contractor shall honor the specific commitments of menus, prices, and other arrangements made by the University, for catering service prior to beginning a new Agreement. This is to include any scheduled camps and conferences.

D. The Contractor shall meet at least quarterly with the University to evaluate the catering program and, as necessary, make revisions to improve overall service.

E. Catering provided to non-University groups which come to the campus for meetings, conferences, and events, will be billed by the Contractor and collection for such events is the sole responsibility of the Contractor unless some other authorized campus entity is acting as the organizing/sponsoring representative for that group.

F. Copies of the catering guide with mutually agreed upon policies and procedures shall be developed in conjunction with the University Dining Liaison and distributed to all departments.

G. The University shall control the space commitment and scheduling of authorized University catered events. The Contractor shall consult on, coordinate the menu and details of services required, and advise on effective program arrangements with the individual or department requesting catering service. The Contractor will be obligated to cater all requested events unless prior approval by the Dining Services Liaison is obtained.

H. The Contractor shall provide a sufficient number of qualified and trained staff to service the events, take and process catering orders, respond to inquiries, and handle all aspects of a quality catering program. All catering personnel will be neat in appearance and dressed in clean and pressed uniforms

I. The Contractor shall identify one of its staff members, who have been trained for this type of service, as a catering manager who will be responsible for all aspects of catered events. This person's other duties should not conflict with these responsibilities.

- J. The Contractor shall establish and maintain a regular process for evaluating catering event food and service quality.
- K. The Contractor shall establish a procedure whereby all catering orders (to include, but not limited to, not-to-exceed per-person and total price, permissible substitutions, service and room/table set-up requirements, special orders, etc.) are approved no less than (72) seventy-two hours in advance. The time by which the event service-ware and room cleaning process will be completed must be specified.
- L. The Contractor shall abide by any alcohol policy implemented by the University.
- M. The University shall not be responsible for payment/collection of non-University catered functions.
- N. All students participating in a meal plan shall be given the Meal Cash Credit when attending a catered event, special function, barbecue, picnic, etc., that is a University-sponsored event.
- O. The Contractor and the University will work together in good faith to develop a partnership arrangement on the sharing of responsibilities and costs (e.g. room setup) for events at the Student Center.

#### **7.1.19 Summer Camps and Conference Requirements**

- A. Annually, upon request, the Contractor shall provide proposed rates for summer camps/conferences to the University by March 15th for the ensuing academic year. If requested by the University, periodic meetings shall be held throughout the year to determine the pricing format, services desired, conference schedules, numbers, dates, desired feeding locations, and any other pertinent information.
- B. Menus may be varied to suit the clientele (such as youth or high school athletic camps, adult groups), but the meals shall be provided with services, food preparations, and presentation at a level of quality at least equal to that of the regular academic year.

#### **7.1.20 Retail Service**

- A. Retail service will be provided at all existing and agreed upon locations around the campus. These locations may change throughout the life of the contract.
- B. Prior to commencement of the Agreement, the University shall approve in writing the proposed retail menu including item, portion and price, and the serving schedules. These prices and schedules shall serve as a guide for any other items not specifically included in the initial Proposal.
- C. Attention should be given to the offering of menu selections that accommodate a diverse campus clientele and customer nutritional concerns.
- D. The University is interested in providing better service to its resident students and is open to any proposed hours that accomplish this goal. Prior to the commencement of the Agreement, the University shall approve in writing the Contractor's proposed hours of service. The University Dining Liaison must approve any changes in hours in writing.

## 7.2 Financial Specifications

### 7.2.1 Price Increases

#### A. Consumer Price Index (CPI) Adjustment

The Contractor and the University agree to use the Consumer Price Index, Food Away From Home, United States Department of Labor Bureau of Labor Statistics, as a basis of any of price increases or decreases. The December 2012 CPI-U numbers shall remain the base figure for all comparisons and price computations. The decimal on any increase/decrease shall be carried to a maximum of two (2) decimal places rounded to the nearest penny. Example:

United States CPI-U (following year)	176.0
United States CPI-U (base year)	170.8
Difference	5.2

Difference divided by base year  $5.2/170.8 = 0.03044$

Add 1.0 to the factor and multiply by original bid rates 1.03044

Any price adjustment to casual and meal equivalent rates shall be taken to the nearest positive or negative five-cent (\$0.05) increment.

The multiplier for all new rate adjustments shall always be the original rates submission in the contract (base year).

The meal plan rates, camp/conference, casual meal rates, and meal cash credit rates will be adjusted each July 1 for the length of the contract as measured by the December CPI-U, United States Index, Food Away from Home.

- B. After the first year of the Agreement, requests for dining plan price adjustments for the ensuing year will be considered by the University no later than January 15 for the all-you-care-to-eat Dining Plans and March 15 for retail and catering operations.

Increases over CPI-U may be awarded at the University's sole discretion for the following:

1. If the University elects to open additional venues (or expands existing venues) requiring an increase in the total (campus wide) labor hours.
2. If the University enrollment drops 5% or more (fall semester to fall semester) from the enrollment set forth in the bid document.
3. If there are extraordinary circumstances which neither the Contractor nor the University anticipated.

**The University reserves the right to approve or reject requested price increases. However, with adequate evidence based upon the above criteria, the University shall not unreasonably deny price increases.**

- C. Retail and catering prices will be competitive with comparable menu items served by local commercial food Contractors and by other educational institutions. Approved price increases will be permitted once a year between summer and fall terms.

- D. Notwithstanding the foregoing, the University may approve a temporary price increase due to unexpected, significant increases in wholesale cost of a food item until such times as prices for a given item(s) stabilize. For example, a freeze in South America results in destruction of a major portion of the coffee crop. With its temporary price increase request, Contractor shall submit documentation as to the impact on the wholesale price of the food item.

### **7.2.2 Taxes**

Sales tax, if applicable, shall be included in the current price of all meal plans. All posted retail prices will not include sales tax. Where applicable the appropriate sales tax will be added to the total purchase at register. Contractor shall be responsible for collecting and remitting to the taxing authorities the appropriate amount of sales taxes it collects in accordance with applicable local, state and federal laws and regulations. Contractor shall hold harmless and indemnify the University from and against all claims or demands arising out of Contractor's failure or refusal to collect and remit taxes applicable to its activities as Contractor.

This provision shall survive termination of the Agreement.

### **7.2.3 Control Systems**

The Contractor shall exercise maximum-security control over all cash, charge, and sales transactions. The University shall not be responsible for theft or loss of the Contractor's cash or property or criminal acts of third parties.

### **7.2.4 Checks, Credit Cards, and Debit Cards**

The Contractor shall accept checks, credit cards, and debit cards for the amount of purchase. Any of these that the Contractor deems prudent to offer in the dining operations will be the sole responsibility of the Contractor, including any returned checks. The Contractor is responsible for being fully PCI compliant at all Contractor operated locations.

### **7.2.5 Auditing and Accounting**

- A. The Contractor shall operate on its own credit, with no advance payments from the University.
- B. All records must be retained by the Contractor and accessible to the University for a minimum of five (5) previous years plus the current Agreement year. The University reserves the right to audit any aspect of the Dining Service contract, as performed by the Contractor. The Contractor shall keep full, timely, and accurate records in accordance with generally accepted accounting practices.
- C. The books, records, documents, and accounting procedures and practices of the Contractor relevant to this Agreement will be subject to examination by the University. If necessary, they will be made available at the Contractor's on-campus office. Thus, the Contractor shall:
- Provide the University and/or its auditors reasonable facilities for the examination, copying, and audit of the books and records.

- Make such returns and reports as required.
  - Attend and answer under oath all lawful inquiries.
  - Produce and exhibit such books and records as may be desired to be inspected to include original purveyor purchase invoices and billings as well as locally, regionally, or nationally executed purchase agreements with food processors, manufacturers, and distributors.
  - In all things cooperate with the University and/or its auditors in the performance of its duties.
- D. The University shall be informed on demand by the Contractor of the schedule of independent audits of the Contractor's records and operations. The University shall receive a report of any findings that materially affect the University.
- E. The University is on a monthly business cycle with a fiscal year of July 1<sup>st</sup> through June 30<sup>th</sup>. The University expects the Contractor to provide all financial reporting on the same monthly fiscal year.
- F. The Contractor shall furnish the University Dining Liaison with complete records of the total amount of food served to students and the number of students served daily by meal that are certified to be accurate by the Contractor. This includes all daily/weekly reports to verify all customer counts, meal plan participation counts, cash sales, card sales, and other pertinent information so requested.
- G. The Contractor shall provide the University with a complete set of monthly financial statements no later than the 20th day following the last day of each monthly accounting period
- H. Monthly financial statements will be presented by point-of-sale in a format acceptable to the University. The statements by point of sale will show budgeted and actual sales and/or operating results for the current period, previous period and year-to-date. Cash register reports by day and by register will be provided to the University upon request as part of the monthly financial statements. The Contractor will note causes and appropriate documentation of abnormal revenue and expense deviations as part of these statements.
- I. All other monthly financial and operational reports and supporting data will also be prepared in accordance with a format acceptable to the University to include sufficient detail for performance tracking purposes. These reports will include, at a minimum, the following:
1. Contract Board and Conferences and Camps:
    - Number of students participating per meal, per contract type
    - Number of non-contract customers per meal

- Meals per labor hour
2. Retail & C-Store Concepts:
    - A summary of gross sales and sales tax
    - Customer counts by meal period (breakfast, morning break, lunch, afternoon break, and evening)
    - Average check (sales divided by customer count)
    - Per capita sales (sales divided by the total number of students and staff on campus)
    - Sales mix (sales breakdown by breakfast items, snacks, entrees, sandwiches, grill items, beverages, and desserts)
    - Sales by applicable payment method (cash, Dining Dollars, credit card)
    - Meals per labor hour
  3. Catering:
    - Sales
    - Number and type of events
    - Estimated number of customers per event
- J. Each operating statement by type of service and location and on a composite basis will present revenue and expense accounts for the period being reported and fiscal year-to-date, with percentage rates given for each item and period
- K. In addition to the above, the Contractor shall provide such special reports and analysis covering its operations under the Agreement as may be requested by the University Dining Liaison. At a minimum, the Contractor will be required to submit an Annual Plan, by March 1<sup>st</sup> of each contract year, to the University Dining Liaison that will outline the proposed strategy for the upcoming school year. The plan shall include a SWOT analysis and address the specific goals and objectives and overall dining services strategy for the upcoming year.
- L. Monthly, the Contractor's Resident District Manager or designee will meet with the University's Dining Liaison and review each operating statement, explain deviations, discuss problems, and mutually agree on courses of action to improve the results of the required services included in this Agreement. Operating statement adjustments required as a result of review and/or audit will be identified and reflected in the next monthly statement.

#### **7.2.6 Student "Board Meal Plan" Assessment, Collection, and Remittance Process**

1. The University agrees to sell Student Board Meal Plans and collect as an agent on behalf of the Contractor. The University agrees to:
  - a. Place the charges applicable to the student resident board plan owed by the student resident on the Student resident's account in the University Student Account Services,
  - b. Send the student an invoice and
  - c. Collect all payments made on the student account, including funds received from third party sources that are applicable to the payment of Student Board Meal Plan

including, but not limited to, scholarships, financial aid, grants, student loans, stipends or GI bill benefits (“Student Board Meal Plan Funds”).

2. On a monthly basis, beginning one week after the opening of term, (the “Payment Date”), the University will deliver to the Contractor by ACH transfer all student Board Meal Plan Funds collected (less \$100,000 hold back) with a roster supporting the payment and detailing any delayed payments that the University is aware of that are to be made on behalf of the student towards his or her student Board Meal Plan funds.
3. The University will also deliver to the Contractor, by the fifth (5th) University Business Day of each month, a settlement statement (less \$100,000 hold back) containing monthly period-end reconciliation to balance with period close from the University’s financial system.
4. The Contractor is solely responsible for payment of all taxes.
5. The University is responsible for the collection of unpaid meals plans and will remit the recovered funds to the Contractor.
6. At the end of the year, the University and Contractor will perform a financial audit for release of partial or the entire \$100,000 holdback amount.

**8.0 Financial Offer Summary**

Submit a Financial Proposal under a separate sealed envelope as described below. The Financial Proposal must contain a response for the following items

**8.1 Capital Investment Fund**

State the amount of capital outlay dollars it will commit for current and future renovation and expansion of existing Dining Service facilities; establishment and construction of additional Dining Service locations. Define any other additional financial considerations to be offered to the University for investment purposes or otherwise. Contractor shall describe any refurbishment plan it contemplates implementing during the term of the Agreement to keep the dining facilities functional and aesthetically pleasing, including any financial investments it will make to renovate the dining areas or introduce new concepts.

This Fund will be at no interest and shall be amortized, on a straight-line basis, over the term of the contract.

**8.2 Commission and Guaranteed Minimum Annual Payment**

Propose a commission percentage on net sales (gross sales less tax) to be paid monthly to the University of Kentucky on sales derived from catering, catering related alcohol sales, retail cash plans, short term meal plans, non-mandatory meal plans and/or dining card plans as applicable.

A. The commission checks, calculated on gross sales less sales tax, are payable on the 5<sup>th</sup> day of the month-end close.

B. Show as a separate amount the guaranteed minimum annual payment. It is assumed the financial proposal will be based upon the larger amount of the minimum guarantee or the commission percentage. Indicate whether the minimum guarantee increases annually over the term of the contract and, if so, by how much.

**8.3 Rebate/Credit Sharing Proposal**

Propose a percentage to be paid by to the University for a share of any payments/credits, etc. received in the form of rebates and or returns resulting from all Dining Service operations. The monthly payments will be due the 5<sup>th</sup> day of the month-end close. Annual settlement payments shall be due to the University within (30) thirty days following the end of each year of operation. Provide a sample of supporting documentation that will accompany the payment in the Proposal.

**8.4 One Time Unrestricted Donation**

State the amount it will provide the University in the form of a One Time Unrestricted Donation to be used at the sole discretion of the University. The donation will be due at contract signing.

**8.5 Annual Scholarship Donation:**

State the amount it will provide the University in the form of an annual donation to be designated for student scholarships. The payment will be due 30 days following the end of each year of operation. The payments shall commence after the second year of operation and annually thereafter.



**8.6 Annual Contingency Fund**

State the amount it proposes to contribute to the Annual Contingency Fund, which will be designated for the periodic repair, replacement and upgrade of existing University-owned Dining Service facilities. Upon contract termination, the balance of the Fund shall revert to the University.

**8.7 Point of Sale License Fee**

Contractor shall pay 100% of the annual POS License Fee at a current annual cost of \$93,304.00. The Contractor will reimburse the University for future years based on annual actual costs.

**8.8 Utility Recharge Cost Sharing**

The Contractor will pay the University monthly for utility cost sharing on a recharge basis encompassing all areas designated as Dining Service space by the University. UK will bill the Contractor monthly at the same rate as is billed to other University departments. Payment will be due 15 days from billing date.

**8.9 Alternate Financial Proposals**

1. Provide any alternate Proposals to incorporate **UK Athletic Concessions** in the future.
2. Provide any alternate Proposals to incorporate **UK HealthCare Dining** in the future.

Alternate financial proposals for UK Athletic Concessions and/or UK HealthCare Dining should be submitted as separate proposals and can be included in the financial response envelope. In preparing the alternate financial proposals follow the requirements set forth in Sections 8.1, 8.2, 8.3, 8.4, and 8.6 of the RFP.