

# FCR 12

Office of the President  
June 10, 2014

Members, Board of Trustees:

## APPROVAL OF DINING CAPITAL PROJECTS AND TRANSFER OF VEHICLES

Recommendation: that the Board of Trustees approve the initiation of planning, design and construction of multiple dining capital projects funded from private funds and authorize the transfer and sale of a food truck and seven golf carts to Aramark.

### Background:

- On February 14, 2013, the University issued a Request for Information (RFI) for dining.
- On March 29, 2013, the RFI Task Force recommended moving forward with a Request for Proposals (RFP).
- On September 12, 2013, University Purchasing released an RFP.
- On February 4, 2014, the University announced a decision to enter into dual-track negotiations.
- On May 10, 2014, the University announced that it would negotiate with Aramark to improve, expand and potentially manage UK dining.

Through a public private partnership, Aramark, a publicly traded company headquartered in Philadelphia, will provide 100 percent equity to fund dining capital projects for up to \$70,100,000. Per University Administrative Regulation 8.2, Board approval is required for capital projects costing more than \$600,000. The planned projects that would cost above \$600,000 are: construction of a new Commons on south campus; fit-up of shell spaces in Haggin Hall and Champions Court I; renovation of existing dining facilities; expansion of dining in other new or renovated buildings; and installation and operation of a temporary dining facility to supplant dining services when the Student Center is offline for renovation and expansion. The President will provide regular updates to the Finance Committee of the Board on the progress on these facilities.

Pursuant to Administrative Regulation 8.1 and KRS 164A.575 (7), property that is not needed by the University can be transferred with approval of the Board of Trustees. The University purchased a food truck in 2013 with the intent to use the vehicle to provide portable food services at various campus locations. In the Request for Proposals, the responders were asked to purchase the vehicle as part of their offer. In addition, the University has seven golf carts from dining services that will no longer be needed by the University. The original purchase price of the vehicles totaled \$213,940. Pending Board approval, Aramark will pay the University the depreciated value of \$180,841 for the vehicles.

In 2012, the Kentucky General Assembly authorized for this current biennium a project entitled “Construct Student Dining Facility” at a scope of \$35,000,000 (Restricted Funds). Contingent upon Board approval, the University will submit a request to the Capital Projects and Bond Oversight Committee for authorization to use Private Funds in lieu of Restricted Funds. The General Assembly also authorized for the 2014-16 biennium a project titled “Upgrade Dining Facilities” with a scope of \$50,000,000 (Private Funds).

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Action taken:  Approved       Disapproved       Other \_\_\_\_\_