Key Dates

• Sept 12, 2013 – RFP released
• Nov 7, 2013 – RFP responses received
• Feb 4, 2014 – University announces decision to proceed with dual track discussions and negotiations
• May 9, 2014 – Intentions announced to move to contract negotiations with preferred vendor
• June 10, 2014 – Update to BOT and FCR consideration

*This process has been conducted in compliance with the Kentucky Model Procurement Code (KRS 45A)
TRIP

Term

Return

Investment

Program
PROGRAM
PROGRAM

• Employees
• Meal Plans & Value
• Brands & Variety
• Nutrition & Wellness
• Sustainability (KY Proud, local purchasing, & other initiatives)
• Academic Partnership
• Key Performance Indicators
UK Dining Employees

• Current UK Dining employees remain UK employees with the same salary and benefits
• Partner commits to grow total number of full-time dining employees
• Partner commits to grow total number of student dining employees
Meal Plan Value (Cost per Semester)

<table>
<thead>
<tr>
<th>Meal Plan</th>
<th>FY15 BOT Approved</th>
<th>FY15 Partner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comfort/AYCE</td>
<td>$2,841</td>
<td>-26%</td>
</tr>
<tr>
<td>Blue</td>
<td>$2,379</td>
<td>-24%</td>
</tr>
<tr>
<td>White</td>
<td>$1,830</td>
<td>-15%</td>
</tr>
<tr>
<td>Champion</td>
<td>$1,617</td>
<td>-4%</td>
</tr>
<tr>
<td>Wildcat</td>
<td>$1,617</td>
<td>-4%</td>
</tr>
<tr>
<td>Minimum 7</td>
<td>$1,350</td>
<td>-2%</td>
</tr>
</tbody>
</table>

The chart shows the Meal Plan Value (Cost per Semester) for different meal plans. The values are compared between FY15 BOT Approved and FY15 Partner, with percentage changes indicating the difference in cost.
Brand Variety

- First campus Panera in the nation
- Responds to students’ preferences
- Fresh Food Company and Greens to Go
Nutrition and Wellness

BIG BLUE IMPACT:
- Nutrition information available through (clockwise from top left)
  - Healthy for Life Wellness Center
  - Menu Signage / Digital Menu Boards
  - CampusDish Website
  - CampusDish Mobile App
  - MyFitnessPal Mobile App
KY Proud & Local Purchasing

• $2M guaranteed minimum in first year
• 5% annual growth guarantee
• Projected 25% of total purchases by end of term

Year 1
- $2M minimum guarantee
- Over 11% increase from previous year

Year 2
- 5% minimum increase
- $2.1M

Year 3
- 5% minimum increase
- $2.2M

Year 4
- 5% minimum increase
- $2.32M

Year 5
- 5% minimum increase
- $2.43M
Sustainability Initiatives

• Sustainable construction and LEED certification
• Full time dining sustainability coordinator
• Implementation of Green Thread business practices
  – Waste stream management practices (waste audits, recycling, etc.)
  – Minimize food waste and support composting
  – Zero Waste and Green Event catering options
  – Green cleaning products & recycled content paper products
  – Energy and water conservation (adopt SOPs)
  – Conduct and adopt energy audit findings
Academic Partnership

• Flagship collaborative innovation center aligning land grant heritage, teaching, research and education

• $5M guaranteed investment in an unprecedented academic partnership
  – $1.25M upfront start-up capital investment
  – $250K annual operating support
Key Performance Indicators

• Contractual obligations with penalties for failure to meet targets:
  – Employees (Full-time and students)
  – KY Proud & Local
  – Customer satisfaction
  – Food Institute investment
  – Nutrition and Wellness
INVESTMENT
BIG BLUE IMPACT:
$70.1M in facilities investments by 2017-2018
Construction Requirements

• Partner pays Kentucky prevailing wage rates for construction
• All new construction will be LEED certified
• Partner will make a good faith effort to utilize MBE/WBE businesses in subcontracting opportunities
• Partner will provide 100% equity funding for investment
The name does not lie. It really is made fresh!

BIG BLUE IMPACT:
50+ year UK tradition
New for August 2014
Retains spirit, menu favorites, and programming
Kentucky Proud core menu
BIG BLUE IMPACT:
New dining option for fall 2014
Visual improvement to entrance
Enhanced flow & ease of service
Kentucky Proud products
Fresh, healthy, fast
Accepts Dining Plan Meals
New Commons

BIG BLUE IMPACT:
- Additional points of service
- Kentucky Proud products
- Sustainable elements in design
- Naturally delicious, high-quality food
- Comfortable seating – in and out
INVESTMENT
(Over 15 Years)

$40.14M new facilities

$12.60M existing facilities

$17.34M contingency

$14.57M cash (scholarships, Academic Partnership, Patterson Hall, athletics, and food truck)

$84.6M TOTAL INVESTMENT
RETURN
RETURN
(Over 15 Years)
$112.4M of guaranteed commissions
  - $95.9M campus commissions
  - $16.5M athletics commissions
$5.9M of projected rebate share
$7.9M of other programmatic investment
$126.2M TOTAL RETURN
TERM
TERM

• 15 year term allows longer amortization and therefore greater capital investment and return
FINANCIAL SUMMARY

$84.6M investment

$126.2M returns

$34.5M reimbursed expenses

$245.3M total financial value of partnership over 15 years

- Increased KY Proud and local food purchasing
- Enhanced meal plan value
- Increased variety of brands responding to student desires
Next Steps

• June 10 – BOT considers FCR for dining facility projects and vehicle transfers
• June 11 – Transition begins (employees, summer advising conferences, facilities transformation)
• July 1 – Target launch date for new UK Dining
• August 27 – Opening of K-Lair, Champions Court coffee concept, refreshed student center food court, refreshed Blazer, refreshed Commons, and other venues
• Fall 2014 – Break ground for New Commons
Update on Dining Public Private Partnership (P3)
June 10, 2014
Board of Trustees Meeting

University of Kentucky
Updated: 06/09/14