

REQUEST FOR INFORMATION (RFI)
RFI# UK-1238-13
UNIVERSITY OF KENTUCKY
DINING SERVICES CONTRACT MANAGEMENT
ISSUED: February 15, 2013

I. Background

A total renewal of the University's on-campus student housing is underway to fulfill an initiative to revitalize the core of the campus. Housing undergraduate capacity is currently 5,154 beds. Of that number only 684 beds, built in 2006, are modern facilities. The University entered into a public/private partnership with Education Realty Trust (EdR) for the systematic demolition and replacement of the majority of current on-campus housing as well as expanding up to 9,000 total undergraduate beds to meet current demand for student housing and to support planned enrollment growth over the next five years. Under the arrangement, EdR will be responsible for the operation and maintenance of the facilities and UK will manage and provide program planning for student residents. EdR is providing one hundred percent equity investment in the project.

Phase I for 601 beds with a total project cost of \$25.5 million is under construction and scheduled to open in fall 2013. Phase II-A including 2,371 beds is also under construction with occupancy slated for fall 2014. Phase II-B planning is underway and will include between 2,000 and 2,500 additional on-campus beds to be occupied in fall 2015.

UK Dining Services' two residential facilities, Blazer Café and Commons Market are currently planned to be demolished along with the residence halls containing these dining facilities. Dining services for these two units will need to be replaced. Additionally, the K-Lair facility will be demolished and consideration is being given to its replacement.

To assist the University in this process it has engaged Envision Strategies, LLC to develop a Dining Master Plan (see Attachment A). The Dining Master Plan includes tentative projections for future dining and housing needs and they are subject to revision as additional phases of the housing project are completed.

Several options are under consideration. One option includes the replacement of Blazer Café with an expansion and renovation attached to the existing Student Center and the addition of a smaller facility on north campus. Options for the replacement of Commons Market include construction of a free standing facility or construction of a satellite student center to including dining facilities.

The University will evaluate continuing dining operations "in house" compared with a private contractor to provide some or all portions of dining services currently provided by UK Dining Services. The University seeks ideas and recommendations from potential private partners to address the issues related to the fit-up of spaces in new residence halls, constructing new stand-alone facilities and/or the renovation of existing dining services facilities. Through this Request for Information, the University expects thoughtful solutions that provide innovative,

cost saving ideas and insight into issues related to dining services management including but not limited to financing, design, construction, and operations and maintenance.

The information will be utilized solely for the purpose of analyzing the feasibility of a public/private partnership for dining services management at the University of Kentucky.

II. Purpose of Request for Information (RFI)

This RFI is issued as a means of information gathering. This RFI is for planning purposes only and should not be construed as a solicitation, a means of pre-qualifying vendors, or as an obligation on the part of the University to proceed with a privatized dining services venture.

Based upon the number of responses and the information provided by the respondents, the University may, at its discretion, invite one or more firms to make a presentation. Not responding to this RFI does not preclude participation in any future Request for Proposal (RFP), if any is issued.

Following the review of the responses to the RFI and any presentations, the University will analyze the information received and determine whether to issue an RFP for a public/private dining services partnership.

III. Description of Current Dining Facilities and Services

The University of Kentucky Dining Services is a self-supported entity that provides meals for students, faculty, staff and visitors. It consists of 24 different dining facilities as well as catering services and is a year-round operation. Additionally, it operates three convenience stores located on campus. Dining Services currently employs 118 full-time employees, 125 temporary employees, and 501 student employees for a total of 744 employees. Additional information is available at the UK Dining Services website <http://www.uky.edu/DiningServices/>.

Instructions for Respondents

Respondents are requested to submit ten (10) complete hard copies and one (1) electronic copy on a compact disk or flash drive of Respondent's entire response.

Responses may be submitted in person, by U.S. mail, or express delivery service to Wendy Brown, Contracting Officer, 322 Peterson Service Building, Lexington, Kentucky 40509-0005.

The deadline for the submittal of responses is 3:00 PM Tuesday March 12, 2013. Respondents may submit their responses at any time prior to the above stated deadline.

Responses should be prepared simply and economically, providing a straightforward, concise description of the Respondent's capability to satisfy the requirements of the RFI. Special bindings, color displays, promotional materials etc. are not desired. Legibility, clarity and succinctness are important and essential.

IV. RFI Schedule

Issue Date.....Friday, February 15, 2013

Due Date and Time.....Tuesday, March 12, 2013 at 3:00 PM ET

Presentation Date, if needed.....Monday, March 18, 2013

V. Requested Information

The University requests potential respondents to take a broad, overall view of the current environment and how the University might move toward a privatized contractual arrangement given the anticipated increased demand from on-campus students. Towards this end, respondents should address the following:

1. Provide a brief overview of your company's capabilities.
2. Identify and describe what experience and resources you believe an organization would need to provide the type of comprehensive dining services as described in Section III.
3. Identify what approaches and/or partnership distinctions that might be taken to privatize each of the components of the dining services operation as identified in Section III. Explain the advantages and disadvantages to privatizing some but not all components? Explain the advantages and disadvantages to privatizing all components.
4. Identify and describe what would be considered the optimal contractual arrangement between the University and a private vendor. Discuss key contracting elements including, for example, length of term, termination provisions, risk/cost sharing, and any other important provisions. Provide sample contracts with institutions similar to the University of Kentucky.
5. Identify and discuss what might be the optimal pricing model for each component of the dining services operation. What other innovative contracting and pricing models might be considered. Address revenue enhancement options.
6. Given the growth of privatized student housing in the next five to seven years address the current student dining facilities. In response to the Envision Strategies recommendation discuss the appropriate size, configurations, and locations for future dining facilities.
7. The University has identified several issues to be addressed should it proceed to privatize dining services. Discuss the issues below and provide an explanation of your firm's experience with the issues including recommendations.
 - a) Employee retention and/or transition plan – Discuss the various options available to the University with respect to its current employees. Provide examples of arrangements your firm has developed to address the issue.

- b) Sustainability/Local Purchasing – The University currently has an extensive sustainability program in effect throughout its dining services operations. Provide an explanation of your firm’s approach to sustainability practices. Provide specific examples of successful programs you have implemented at other Universities. In particular, describe how similar practices might impact local purchasing of food products in the greater Lexington-Fayette County area specifically, and the Commonwealth of Kentucky in general (i.e., the potential statewide economic impact).
 - c) Franchises – The University has franchise arrangements with several national brands including Starbucks, Subway, Chick-Fil-A, Panda Express, and Sbarro. Explain your firm’s experience with the assignment of franchise agreements. What approach should the University take in addressing this issue? Similarly, the University is currently in the seventh year of a seven year contract with Gordon Food Service, our prime vendor.
 - d) Sale and transfer of University owned equipment – What is the suggested methodology to sell and/or transfer University equipment to the private contractor?
 - e) Internal Relationships – Explain your firm’s experience in developing and cooperating with University organizations including, for example, academic departments, student groups and athletics.
 - f) Depending upon which components of dining services might be privatized, provide various implementation scenarios that would be required including lead times.
 - g) Catering – Explain your firm’s best practices in a university setting.
 - h) Food Storage – Discuss various food storage options given the current facility will be demolished as part of the student housing expansion.
8. The University may likely request the private contractor to make a capital investment in the student dining facilities. Discuss various financing plans for the University to consider. Any project undertaken will require a funding model exclusive of debt issuance, state appropriations, and student fees. Specifically address the willingness of your company to provide one hundred percent equity financing instead of debt financing. How does this affect the overall plan? Provide development model options (i.e. public/private partnerships, ground leases, leasebacks, etc.).
9. The University would consider a comprehensive renovation and/or expansion of the Student Center as part of the privatization effort. Discuss the feasibility of such an effort and explain the benefits of a renovated Student Center. Indicate what your company would propose and how student dining needs would be incorporated.

VII. Status of Presentation Materials

All materials included with the presentation become the property of the University of Kentucky. Firms assume responsibility for all expenses incurred in connection with the preparation of the response and any presentation if invited. Information provided by firms is not considered an offer and firms are not contractually bound by any information submitted prior to an agreement with the University. Likewise, the University is under no obligation by this RFI

and reserves the right to issue a Request for Proposal or elect not to proceed with a privatized student housing effort. All information included in response to the RFI and any other materials provided in the RFI process will be kept confidential and is not subject to open records requests until the University executes a contract for dining services or until such time as the University determines not to proceed with a privatized dining arrangement.

VI. Attachments

The following documents are attachments to the RFI:

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| Attachment A: | Envision Strategies Dining Services Master Plan |
| Attachment B: | Dining Service Units |
| Attachment C: | Dining Site Square Footage |
| Attachment D: | Dining Floor Plans |
| Attachment E: | Catering Dashboard |
| Attachment F: | Three Year Dining Revenues |

VII. Questions

Questions regarding this RFI should be directed in writing or e-mail to:

Wendy Brown
Contracting Officer
Purchasing Division
322 Petersons Service Building
Lexington, KY 40509-0005
wendy.holland@uky.edu