

UNIVERSITY OF KENTUCKY BOARD OF TRUSTEES

Gina Dugas, Senior Vice President for Finance and Administration

Tim Slocum, Senior Vice President and Chief Operations Officer, UK HealthCare



ENTERPRISE PARTNERSHIP OPPORTUNITY

Agenda

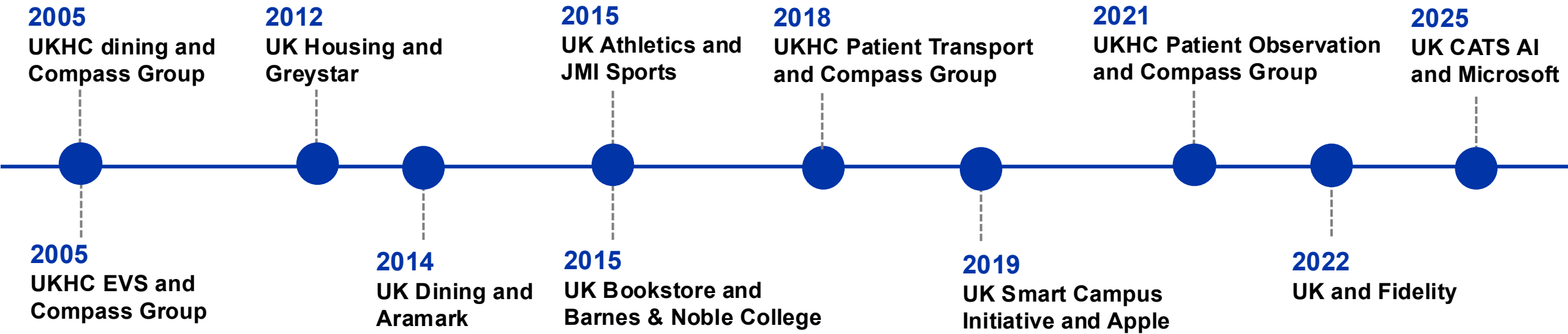
- Why now
- Guiding principles
- Timeline and process
- Commitments to our people
- Meeting our mission
- Key financial terms and next steps

Why Now

The University is at a pivotal moment with an opportunity to align priorities, people and partnerships to advance Kentucky.

- This work benefits the enterprise — all of UK, including UK HealthCare, UK St. Claire and UK King's Daughters
- Path forward to unify key services under one enterprise model
 - Including dining and food services, concessions, facilities maintenance, grounds, custodial services, in-patient transport and in-patient sitting
- Key healthcare contracts expiring, new facilities coming online with key long-term leader retiring
- Enterprise integration underway across UK

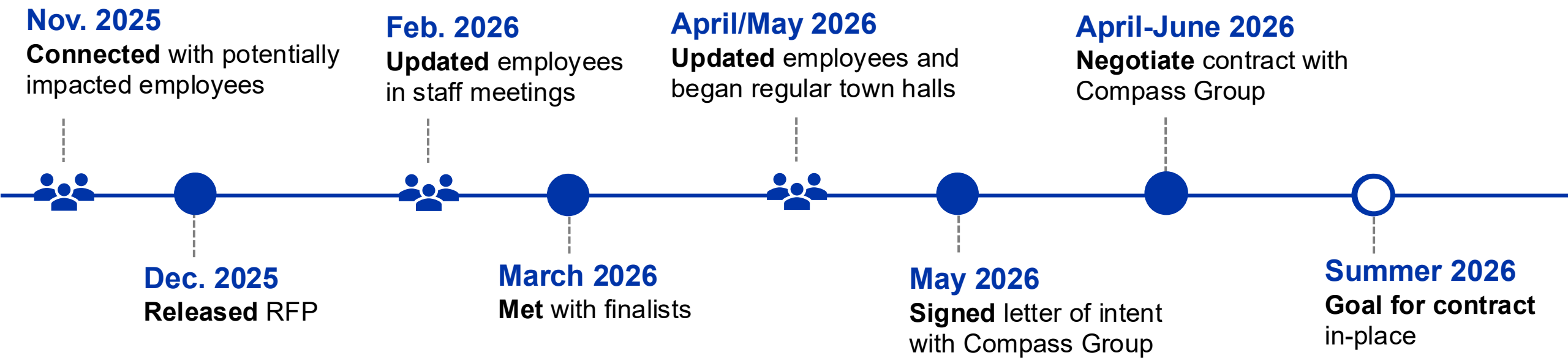
UK's Familiarity With Partnerships



Guiding Principles

1. **Advance Together** — Retain talent and build shared expertise
2. **Build Trust** — Engage openly with employees, partners and stakeholders
3. **Operational Excellence** — Establish consistent standards to deliver high-quality services
4. **Maximize Financial Opportunities** — Leverage private investment to maximize returns and support long-term financial sustainability
5. **Mitigate Risk and Ensure Resilience** — Proactively manage operational, safety and financial risks
6. **Leverage Technology and Data** — Use data-driven insights to enable smarter decision making
7. **Value Partnership** — Collaborate to bring in specialized expertise to strengthen our capabilities

Timeline and Request for Proposal (RFP) Process



Work included collaboration with 40+ distinct team members across the enterprise

Commitment to Our People

- **All UK employees remain UK employees with the same pay and benefits.**
 - Healthcare, retirement plan, tuition benefits
- UK employees have the option to pursue promotional opportunities with Compass with comparable pay and benefits.
- Compass will offer apprenticeships and skilled trade programs.
- To ensure a smooth transition, Compass is on campus actively working with dining, HR and facilities employees.

Our People

Location	Number of UK employees in scope*	Number of partner FTE employees
UK Facilities Management	562	0
UK King's Daughters	402	43
UK St. Claire	130	0
UK Dining	28	635
Athletics	0	61
UK HealthCare	21	973
Total	1,143	1,712

*As of May 2026

Meeting our Mission: Putting Students First

- Students will see a 5% reduction in meal plan pricing for AY26-27
- A seamless, enterprise-wide dining experience — on campus, at a game or at healthcare facilities
- Investments in new dining facilities and a variety of new food options/concepts
- Direct feedback from student leaders used to select dining options for campus
- More opportunities for students to have paid, funded internships



Example of new dining facility "The Foundry"

Meeting our Mission: Fan Experience

- Fan-friendly pricing will provide significant savings of 38% on eight core concessions items at on-campus athletics events — starting at Kroger Field and Historic Memorial Coliseum
- Seamless purchasing experience for students, employees, fans
- Refreshed focus on quality and service in every area including concessions stands, premium clubs and suites

Meeting our Mission: Patient Care

- Build on UK HealthCare's longstanding Compass partnership to expand coordination of patient support services at UK St. Claire, UK King's Daughters
- Harness increased use of technology to drive patient safety across the enterprise through patient feeding accuracy and offer convenient retail dining

Meeting our Mission: Advancing Kentucky

- **Purchasing power for Kentucky:** Launch Bluegrass Group Purchasing Organization (GPO)
 - Extend buying power to Kentucky schools, municipalities, businesses
 - Scale UK's Food Connection into a statewide enterprise model
- **Serving 120 counties:** “Food Force One” — a mobile unit to take fresh food, health education and resources directly to communities
 - UK’s health colleges and UK Extension can collaborate to meet Kentucky’s needs



Example “Food Force One” Mobile Unit

Key Financial Terms

Investments

- Service Line Investments — \$275M
 - Dining/concessions/vending, healthcare, facilities
- Our People and Our Place — \$50M
 - Advancing Kentucky Together Network, research, student scholarships, UK Invests
- Our Future — \$75M
 - Transition and long-term priorities

Term

- A 30-year contractual term
- Cancellation for non-performance provision, convenience clause

Next Steps

- Transition of services is currently underway
- The partnership will be managed by a dedicated UK team to ensure compliance and assess key performance indicators
- FCR 15 to be considered by the Board to authorize a capital investment totaling up to \$220,000,000

FCR 15

Office of the President
June 30, 2026

Members, Board of Trustees:

CONSTRUCT/MODERNIZE/IMPROVE FACILITIES AND
CONSTRUCT/IMPROVE DINING FACILITIES CAPITAL PROJECTS

Recommendation: that the Board of Trustees approve the initiation of Construct/Modernize/Improve Facilities and Construct/Improve Dining Facilities capital projects and authorize the Executive Vice President for Finance and Administration to negotiate and execute all documents necessary to create a viable Public-Private Partnership (P3) for the various facilities capital projects including but not limited to dining capital projects.

Background: Pursuant to University regulations, any capital project with an estimated scope of \$1,000,000 or more must be approved by the Board prior to initiation.

In December 2025, the University requested proposals through an RFP process (RFP) for a partner to enhance quality, improve support across the entire University enterprise for services including Facilities Maintenance and Grounds (both campus and healthcare), Campus Custodial, Hospitality (dining), HealthCare Food & Nutrition Services, Environmental Services (healthcare custodial), In-Patient Transport and In-Patient Sitting. This enterprise-wide approach to critical support services includes the higher education campus, UK Chandler Hospital, Golisano Children's at UK, UK Good Samaritan, UK King's Daughters Hospital, UK St. Claire Hospital and other University of Kentucky properties.

After careful review of the responses the University selected Compass Group North America ("Compass") as the preferred finalist, signed a letter of intent and began negotiating a long-form agreement. As a component of the new enterprise-wide agreement, Compass is proposing the funding of various facilities improvements, renovations and upgrades across the University including but not limited to dining facility improvements, renovations and upgrades including at least one new facility for the University community where students, employees, and visitors can gather over food. The dining component will include all dining and food services, concessions, cafeteria and residential dining facilities and retail dining and food services across all areas of the University including academic, research, healthcare and athletics. The locations and scope of the facilities improvements and any new facilities will be determined through a planning process involving university-community stakeholders.

QUESTIONS

