



TOPIC: University of Maryland, Baltimore County: Food Service Contract Renewal

COMMITTEE: Finance

DATE OF COMMITTEE MEETING March 28, 2013

SUMMARY: The University of Maryland Baltimore County requests approval from the Board of Regents to renew the food service contract with Compass USA by and through its Chartwells Division for boarding students and cash facilities on the UMBC campus.

The term of the contract renewal is one year to commence on July 1, 2013 through June 30, 2014 with an estimated value of \$9,960,000; this amount includes a 2.5% increase from fiscal year 2013 per the CPI and in accordance with the contract.

This request for approval is submitted to the Finance Committee of the Board of Regents pursuant to University System of Maryland Procurement Policies and Procedures: Section VII.C.2 for procurements exceeding \$5 million.

ALTERNATIVE(S): The current contract would have to be extended until an award could be made as a result of a new competitive request for proposal.

FISCAL IMPACT: The Contractor provided a capital investment of \$6,300,000 during the initial five (5) year term of the contract for food service renovations/upgrades. The contractor's investment is amortized on a straight-line basis over the potential ten-year contract that commenced on July 1, 2008. Should the contract not be renewed, the University would have to pay the Contractor the unamortized investment which is estimated at \$3,150,000. If a new procurement resulted in the award to a new contractor, UMBC would also have costs associated with the opening and start-up expenses of a new contractor which is estimated at \$500,000.

CHANCELLOR'S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents approve for the University of Maryland Baltimore County to renew the contract with Compass Group USA, Inc. by and through its Chartwells Division for a term of one year in the amount of approximately \$9.96 million to commence on July 1, 2013 with four one-year renewal options remaining to be exercised at UMBC's sole option.

COMMITTEE RECOMMENDATION: Recommend approval. DATE: 3/28/13

BOARD ACTION: DATE:

SUBMITTED BY: Joseph F. Vivona (301) 445-1923
