



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

COMMITTEE: Finance

DATE OF COMMITTEE MEETING March 27, 2014

SUMMARY: The University of Maryland, Baltimore County requests approval from the Board of Regents to renew its 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 for one year to commence on July 1, 2014 through June 30, 2015 with an estimated value of \$10,220,000; this amount includes a 2.2% increase from fiscal year 2014 per the CPI and in accordance with the contract. This represents the 7th year of the contract with Chartwells.

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.

VENDOR(S): Compass Group USA, Inc.—Chartwells Division

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 year term of the contract for food service renovations and upgrades. These renovations and upgrades included renovations to the dining hall and the ground floor of the University Center and upgrades to the administration coffee shop, the Commons retail venue and library food venue. 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 \$2,520,000. 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 \$10,220,000 to commence on July 1, 2014 with three one-year renewal options remaining to be exercised at UMBC's sole option.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

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