

Board of Trustees

Washtenaw Community College

DISCUSSION

4800 E. Huron River Drive
Ann Arbor, Michigan 48105-4800

Subject
Award of Dining Services Contract

Date
April 27, 2021

Background

The College has been under contract with Aramark to provide dining services on the first floor of the Student Center Building since 2013. The College's contract with Aramark is structured under a profit and loss model whereby the College is guaranteed a minimum annual commission and any gross margin over a specified percentage threshold is split evenly between the College and Aramark. Any and all risk of loss is bore by the vendor. While some years did result in a modest profit margin, in most years the vendor was operating with a break-even goal in mind. Several factors have made this break-even goal increasingly difficult to achieve including, a growing percentage of our students choosing online classes (leaving a smaller population requiring on campus food options), rising food costs combined with the College's desire to keep costs low for its students, and the College's desire to maintain hours of operation consistent with its on-campus class offerings. While these discussions between the College and Aramark started prior to the onset of the pandemic, COVID-19 has only exacerbated the underlying problems.

Proposal

The College released an RFP for Dining Services in December 2020 and received three proposals in response to its request. The RFP Committee was comprised of Faculty Members Terry Abrams and Khaled Mansour, VP & CFO Bill Johnson, Controller Ben Hunholz, Manager of Student Accounting and Auxiliary Services Kailey Phelps, Transcript Evaluator and OPT Member Andrea Wilseck, WCC Student Sabrina Lanker, and WTMC Student Ashley Samu. The RFP Committee reviewed the responses received, evaluating the proposals on several criteria, including but not limited to: provider background, vision for the food service program, engagement with the campus community, sustainability, menu pricing and financial considerations (please find enclosed the RFP Bid Summary for your review). All three of the responses received proposed a subsidy business model in which the College and the vendor would agree upon program offerings, pricing, etc., and based upon separate financial projections of each of the vendors, the College would be responsible for the net loss of the program including a fixed management fee provided to the vendor.

Two of the three firms that submitted proposals were invited to respond to the committee's follow-up inquires via an on campus interview. Taking into consideration the initial proposal submitted and the interview response, it is the committee's recommendation that the WCC Board of Trustees appoint the firm Creative Dining Services (CDS), located in Zeeland Michigan,

as the College's dining service provider for the next five years along with one optional five year renewal.

Key attributes about CDS that formed the foundation for the RFP Committee's recommendation included:

- CDS currently serves six Michigan Colleges and Universities, including Macomb and Grand Rapids Community Colleges
- They have a strong commitment to sustainability practices
- Student employment opportunities will be strong
- CDS has developed a mobile ordering app that will allow for remote ordering, paying and food pick up across campus
- While the proposed subsidy for WCC in the first full year of operations is estimated at \$200,000, subsidy levels at similarly sized institutions have been managed to the \$100,000 level and below
- CDS has proposed a robust menu with competitive pricing which will suit the campus community well
- Campus engagement is a core value of CDS

RECOMMENDATION

That the Board of Trustees appoint Creative Dining Services as the provider of dining services on the first floor of the Student Center Building for period of June 1, 2021 through May 31, 2026 with one optional five-year renewal.

A ROLL CALL VOTE WILL BE TAKEN

Prepared by: William Johnson

Title: Executive Vice President of Finance
and CFO

Recommended by: Rose B. Bellanca, E.D.

Rose B. Bellanca, President
