

**Agendum
Oakland University
Board of Trustees Formal Meeting
February 7, 2019**

**AUTHORITY TO CONTRACT WITH CONTINENTAL CREGAR'S, LLC FOR EAST
CAMPUS FOOD AND BEVERAGE SERVICES**

1. Division and Department: Operations & Finance, Office of the President, Meadow Brook Estate, Golf & Learning Center

2. Introduction: Meadow Brook Estate (MBE), a self-supporting University auxiliary, has operated on the "cultural center model" since that model was approved by the Board of Trustees in December, 2004. A central aspect of that model is the generation of revenue through renting the facility to individuals and organizations who often require food and beverage service as part of their events.

In December 2012, the University entered into a contract with Continental Cregar's, LLC (Cregar's), to provide event sales, food and beverage services to MBE. Over the term of the Cregar's contract, MBE has generated positive revenue each year.

The most recent contract between Oakland University and Cregar's expired on December 31, 2018, and a two-month management contract for MBE events was signed for the period from January 1, 2019 through February 28, 2019.

The Golf & Learning Center (G&LC), a self-sustaining University auxiliary, has offered golf activity to the community and University since 1976. Central to that model is generating revenue by providing food and beverage service to University and non-University clients for golf outings, corporate and social events and daily play at the Sharf Clubhouse, the Turn located in the outdoor area immediately adjacent to the clubhouse, the half-way house on the Sharf golf course, in the golf pavilion, on the golf courses and in other areas of the G&LC designated by the University from time-to-time.

In March 2016, the University entered into a contract with New Pearl Catering, Inc. (New Pearl) to provide food and beverage service to the G&LC, which the University terminated in October, 2018. The University then entered into an agreement with Kosch Management, Inc. d/b/a Kosch Golf Hospitality LLC to provide limited food and beverage services at the G&LC for the period from October, 2018 until the G&LC closed for the season in November.

Sunset Terrace (SST), the former private residence of the University founders, is currently used as the University President's residence and as a facility to host University cultivation activity, which often requires food and beverage service. SST was not previously covered by any general food and beverage service agreement; rather, the University contracted for food and beverage services at SST on a per-event basis with a number of different contractors.

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From July 2018 through September 2018, SST food and beverage service was provided by New Pearl. Since October 2018, other vendors have provided the service on a per-event basis.

To gain service efficiencies and revenue capacity, MBE, G&LC and SST management solicited bids for collective event sales, food and beverage services through a request for proposal process (RFP). The following three caterers responded to the RFP: Cregar's, Kosch Dining Services and New Pearl.

After MBE, G&LC and SST management and the Oakland University Purchasing Department reviewed the RFP responses, Cregar's was chosen as the preferred contractor. The new contract with Cregar's will include, among other terms, the following provisions:

- **Term:** Five years, commencing on or about February 18, 2019 and ending January 31, 2024, unless terminated earlier pursuant to the contract. The University will have the option, at its sole discretion, to extend the term for one additional two-year term, commencing February 1, 2024 and expiring January 31, 2026.
- **Services:** Cregar's will provide event sales, food and beverage service to MBE, G&LC and SST (for SST as a preferred, not exclusive vendor) and, upon mutual written agreement, at other locations on the University's campus.
- **Quality:** The contract will require that Cregar's provide food and beverage services that are of exceptional quality and meet or exceed industry standards.
- **University Discounts:** University departments will receive menu discounts at MBE and G&LC. SST's sole clients are the Office of the President and University Advancement, which will receive food and beverage quotations from Cregar's for each event prior to service.

3. Previous Board Action: The Board of Trustees approved MBE's Marketing, Event Sales, and Catering Agreement between Oakland University and Continental Cregar's, LLC on December 3, 2012, for a term ending December 31, 2018.

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On June 4, 2018, the Board approved the FY19 budget for MBE. On December 10, 2018, the Board approved the CY19 budget for the G&LC.

4. Budgetary Implications: A successful catering operation is a key component of a break-even or better budget for the MBE Cultural Center model and the G&LC operations. The financial structure of the proposed agreement allows MBE and G&LC to reach their revenue projections for the facility rental and food and beverage service portions of their budgets, and allows for future business growth. SST food and beverage service activity is projected to be a revenue-neutral component of each cultivation event's budget.

5. Educational Implications: MBE will continue to share its architectural and historical resources with the University community.

The G&LC will continue to be used by the Men's and Women's Intercollegiate Golf Teams.

SST will continue to serve as a center for University cultivation and development.

6. Personnel Implications: None.

7. University Reviews/Approvals: This recommendation was formulated by the MBE Executive Director, G&LC Managing Director and Director of Executive Events (for SST), and reviewed by the Chief Operating Officer and President.

8. Recommendation:

RESOLVED, that the Board of Trustees authorizes the Chief Operating Officer to negotiate and execute an event sales, food and beverage services agreement with Continental Cregar's, LLC for the following east campus areas at an estimated value of \$9 million over the initial five-year term: Meadow Brook Estate, Golf & Learning Center and Sunset Terrace; and, be it further

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RESOLVED, that the Board of Trustees authorizes the University's Chief Operating Officer, and his respective designees, to perform all acts and deeds and to execute and deliver all contracts, instruments and documents required by this resolution that are necessary, expedient and proper in connection with the event sales, food and beverage services agreement; and, be it further

RESOLVED, that said contracts, instruments and documents shall be reviewed by and be in a form acceptable to the Vice President for Legal Affairs and General Counsel prior to execution, and be in compliance with the law and University policies and regulations, and conform to the legal standards and policies of the Vice President for Legal Affairs and General Counsel.

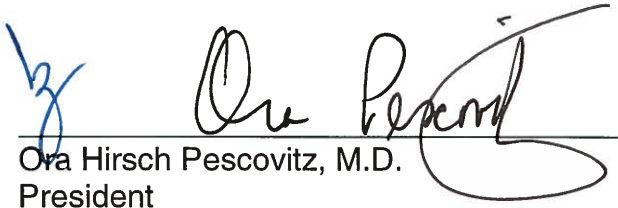
9. Attachments: None.

Submitted to the President
On FEB 5, 2019 by



Scott G. Kunselman
Chief Operating Officer

Recommended on 2/5, 2019
To the Board of Trustees for Approval by



Ora Hirsch Pescovitz, M.D.
President