

**Agendum  
Oakland University  
Board of Trustees Formal Session  
December 3, 2012**

**APPROVAL OF EVENT SALES AND CATERING AGREEMENT BETWEEN  
OAKLAND UNIVERSITY AND CONTINENTAL CREGAR'S, LLC**

1. **Division and Department:** Office of the President, Meadow Brook Hall
2. **Introduction:** Meadow Brook Hall (MBH) 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 July 2005, Oakland University entered into a contract with Continental Cregar's, LLC (Cregar's), for Cregar's to provide event sales, food and beverage catering services to MBH. Over the term of the Cregar's contract, MBH has generated positive revenue each year.

The current Cregar's contract expires on December 31, 2012. MBH management solicited bids for catering services through a request for proposal process ("RFP"). The following five caterers responded to the RFP: Andiamo Catering & Event Management, Cregar's, Kosch, Oak Management Corporation and Royal Occasions.

After MBH 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 things, the following provisions:

- **Term:** Five years, commencing January 1, 2013 and ending December 31, 2017, unless terminated earlier pursuant to the contract. The University will have the option, at its sole discretion, to extend the term for one additional year term commencing January 1, 2018 and expiring December 31, 2018.
- **Services.** Cregar's will provide event sales, food and beverage services for events at MBH and, upon mutual written agreement, at other locations on the University's campus.
- **Quality.** The contract will require that Cregar's provide food and services that are of exceptional quality and meet or exceed industry standards.

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- Revenue Sharing. The food, beverage and facility use fees for events at MBH will be divided as follows:

Food/Beverage Fees: MBH - 15%; Cregar's - 85%

Facility Use Fees: MBH - 100% (first \$330,000 of revenue)  
MBH - 85%; Cregar's - 15% (revenue over \$330,000)

Alcohol Revenue: MBH – 100%.

- Guaranteed Revenue. Cregar's will guarantee minimum revenues to MBH of \$650,000 per year for each year during the term of the contract.
- University Discounts. University departments receive both facility rental and menu discounts.

**3. Previous Board Action:**

The Board of Trustees approved the prior Marketing, Event Sales, and Catering Agreement between Oakland University and Continental Cregar's, LLC on July 13, 2005.

**4. Budgetary Implications:**

A successful catering operation is a key component of a break-even or better budget for the MBH Cultural Center model. The financial structure of the proposed agreement allows MBH to reach its revenue projections for the facility rental portion of its budget. Net revenues from combined MBH operations will be added to MBH's Operating (Maintenance) Reserve.

**5. Educational Implications:**

MBH will continue to share its architectural and historical resources with the University community.

**6. Personnel Implications: None.**

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7. **University Reviews/Approvals:** This recommendation was formulated by the MBH Executive Director, and reviewed by the President.

8. **Recommendation:**

RESOLVED, that the Board of Trustees approves the selection of Continental Cregar's, LLC as the Meadow Brook Hall event sales and catering company; and, be it further

RESOLVED, that the Board of Trustees authorizes the Vice President for Finance and Administration to negotiate and execute all contracts for the required event sales and catering services with Continental Cregar's, LLC; and, be it further

RESOLVED, that all contracts be reviewed and approved by the Office of 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 legal standards and policies of the Vice President for Legal Affairs and General Counsel.

9. **Attachments:** None.

Submitted to the President  
on November 29, 2012 by



Geoffrey C. Upward  
Executive Director, Meadow Brook Hall

Recommended on November 29, 2012  
to the Board of Trustees for Approval



Gary D. Russi  
President