**FLORIDA A&M UNIVERSITY**
**BOARD OF TRUSTEES**
**SPECIAL CALLED MEETING VIA CONFERENCE CALL**
**MINUTES**
**October 29, 2013**
**4:00 p.m.**

Trustees Present: Torey Alston, Solomon Badger, Glen Gilzean, Kelvin Lawson, Rufus Montgomery, Narayan Persaud, Belinda Reed Shannon, Anthony Siders, Marjorie Turnbull, Cleve Warren, and Karl White.

## I. CALL TO ORDER

*Dr. Solomon Badger, Chairman*

Chairman Badger called the meeting to order and Attorney Barge-Miles called the roll. A quorum was established.

## II. Approval of MOU

Chairman Badger asked Dr. Robinson to provide an update to the Board regarding a Memorandum of Understanding (MOU) between FAMU and the United Faculty of Florida. Dr. Robinson indicated that the legislature provided funds for eligible in-unit faculty members to receive a pay increase. Faculty with a base salary of $40,000 and less would receive an increase of $1400 and faculty making more than $40,000 would receive a base rate increase of $1000. He stated that the United Faculty of Florida had agreed to accept this increase.

Chairman Badger asked for a motion to ratify the MOU, as presented. It was moved by Trustee Persaud and seconded by Trustee Lawson and the motion carried.

## III. Dining Services

Next, Chairman Badger recognized Trustee Montgomery to introduce the discussion regarding dining services at FAMU. Trustee Montgomery stated that this subject was discussed at the October 3rd Board meeting and staff was asked to provide additional information to get the Board prepared for a decision.

Dr. Robinson stated that the purpose of this presentation was for the Board to hear the University's recommendation for a new food service company for FAMU's dining and catering services. He indicated that after extensive site visits and thoroughly reviewing the presentations of four companies: Aramark Higher Education, Gourmet Services, Metz Culinary Management and Sodexo, the University has selected Metz Culinary Management as the clear choice for partnership with the University. Dr. Robinson said that the University is seeking the Board's approval, so that it may enter into a contract with Metz Culinary Management.

Dr. Robinson stated that Metz is a leader in its industry. The company was named one of five management companies to watch by Food-Management.com in 2011. A large part of their success can be attributed to their ability to retain accounts and employees, in such a competitive market. The average management tenure at Metz is 15 years. Additionally, Metz has never lost a higher education account during the 20 years it's been working in that area.

He stated that when the selection team members made on-site visits to similarly sized campuses in the Metz portfolio, the taste of the food, quality of service and dining environment proved that the company is qualified to deliver outstanding services to FAMU. The committee communicated with the president of Cheney University, and the VP of Finance and Administration for Lebanon Valley College on their site visits. Both administrators offered glowing recommendations based their experiences with Metz. The team was informed that Lebanon had been in same situation as FAMU, with a contract that ended in December and students returning the next semester. Metz was able to come in and take over operations successfully and seamlessly.

Dr. Robinson reminded the Board that on October 4th the Board gave the University its approval to enter into negotiations with the top two vendors, Aramark and Metz. The members of the negotiation committee unanimously concluded that it was in the overall best interest of FAMU to award the dining services contract to Metz Culinary Management.

The Board of Trustees Audit Committee requested that the Division of Audit and Compliance perform procedures to assist in evaluating compliance with the University's policies and procedures, in the procurement and evaluation processes relating to the proposed contract for the Dining Service Operations. The Division's procedures included reviews for compliance with policies and procedures in the following areas: proper advertisement, proposal submission and opening, training for evaluation team members, and the evaluation process. Based on procedures performed, Division found that the University complied with its policies and procedures in the procurement and evaluation processes.

Vice President Bakker introduced Mr. Tom Britten, one of two consultants that provided analyses of the University's decision. Mr. Britton stated that the negotiation team had done a substantial amount of research and analysis to arrive at its recommendation and noted that he agreed with the decision of the negotiation team. He resolved that the University had performed the required due diligence professionally and thoroughly and had correctly selected the proposal which represented the best value for FAMU.

Mr. Bakker stated that Metz will invest $2.4 million to improve the University's dining facilities and that this agreement covers any additional dining facilities and dining services for students that will be housed in the 800-bed unit.

Trustee Warren asked if the $2.4 million was a true investment with an expected cost recovery that was built into the pricing of the deal or is it a contribution. Mr. Bakker responded that it is an investment that would have to be repaid if the contract ends early.

Trustee Gilzean asked if the investment was solely for the main campus or the satellite campuses, as well. Mr. Bakker said that the University can make a determination on location of the investment and that the contract provides latitude regarding where the investment will go. He also pointed out that a team has been looking at the best locations for the expansion of dining facilities.

Trustee Siders asked if the University would be guaranteed any facility enhancements based on this contract. Rebecca Brown, Interim Assistant Vice President for Administrative and Financial Services confirmed that there will.

Trustee Montgomery inquired about the value of the contract over a ten-year period. Tom Britten replied that the value of the contract is $18.4 million. Byron Williams stated that over a 10-year period, the total revenue would be between $80 and $90 million. It was explained that Metz will provide $1million for scholarships, the campus donation of $500,000 can be used as the University sees fit and the $4.2 million difference will be controlled by the University and can be used for capital investment, operating expenses or scholarship dollars.

Trustee Montgomery asked how much will be spent on capital investments? President Robinson indicated that the University will commit to spending $1.6 million in the area of capital investments and the University might spend more. Dr. Robinson also stated that the $500,000 could be used toward facility enhancements.

Mr. Bakker explained that the Metz proposal required a much lower start-up cost than the other proposal. Representatives from Metz also indicated that they plan to provide job and internship opportunities for students.

The University indicated that the major factors for selecting Metz over the other proposal were better financials from Metz, positive site visits and good references. The University estimated that at the end of the five-year contract, the cash-in-flow should be $11 million.

Trustee Montgomery asked General Counsel McKnight what were the Board's options regarding this matter and if there were any particular liabilities in regards to those actions. Mr. McKnight responded that, as requested at the last Board meeting, the University presented a contract for the Board's consideration that could be voted up or down and that the General Counsel's Office has not investigated extending the current contract.

Dr. Robinson stated that the current contract ends December 20, 2013. The University has conducted the work that the Board requested and the University followed the Board's processes and procedures, as confirmed by the Division of Audit and Compliance. The University was not asked to consider the option of extending the current contract.

Trustee Warren moved to approve the contract, as recommended by the staff. It was seconded by Trustee Turnbull. A roll call vote was conducted:

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| Alston – Yes | Badger - Yes | Gilzean – No |
| Lawson – No | Montgomery – No | Persaud – No |
| Shannon – Yes | Siders – No | Turnbull – Yes |
| Warren – Yes | White – Yes | |

The motion carried.

With no further business for the Board, the meeting adjourned.