

ATTACHMENT B

DINING AND NUTRITION MANAGEMENT SERVICES RFP

FINANCIALS COST AND PRICING INSTRUCTIONS

B.1 REIMBURSEMENT OF COST

.1 The College shall reimburse the Contractor for its Direct Costs incurred in providing the Dining Services program as outlined in this contract. For Year One of the contract, the types of Direct Costs allowable shall be limited to those proposed by the Contractor in its Financial Proposal. Direct Costs in subsequent years shall be limited to expenditures approved in the Annual Plan.

.2 Equipment breakage and maintenance expenditures resulting from normal wear and tear is a reasonable direct cost and will be reimbursed. The Contractor shall indemnify the College for any property delivered to the Contractor for servicing under this Contract that is lost or damaged, excluding normal wear and tear, and in the opinion of the Contracting Officer, cannot be repaired satisfactorily. In either of these events, the Contractor shall pay to the College the value thereof in accordance with what the Contracting Officer determines to be fair and just price. Credit shall be allowed for any depreciation in the value of the property at the time of loss or damage, and the parties hereto shall determine the amount of the allowable credit. If the parties fail to agree upon the value of the property or fail to agree on the amount of credit due, the dispute shall be determined as provided in the article entitled "DISPUTES" of Section F. In cases of damage to any property which the Contracting Officer and the Contractor agree can be satisfactorily repaired, the Contractor shall repair the property at their own expense in a manner satisfactory to the Contracting Officer.

.3 Travel and Relocation Expenses: Travel and relocation expenses for Year One of the contract will be limited to those proposed by the Contractor in its Financial Proposal. Travel and Relocation expenses in subsequent years will both comply with the contractors travel and relocation expenditure policy provided as part of the proposal and shall be limited to no more than the cost to relocate 1/3 of the management staff in any given year. The travel and relocation cost of excessive management turnover shall be a financial risk to the contractor, not the college.

B.2 MANAGEMENT FEES

.1 The College shall pay the Contractor a "Management Fee" in a fixed dollar amount, regardless of volume, for the provision of residential dining and summer conference dining services. Management Fee shall be payable on a pro-rated basis consistent with the invoicing cycle agreed upon by the College and the Contractor.

.2 The College will pay the Contractor a Management Fee based on a percentage of gross sales (net of applicable sales taxes) on all catering and retail cash sales. Management Fee shall be payable on a pro-rated basis consistent with the invoicing cycle agreed upon by the Contractor and the College.

B.3 INCENTIVE FEE

The College intends to provide the opportunity for the Contractor to earn an additional financial Incentive Fee tied to the attainment of certain identified and measurable performance goals (major criteria will include customer satisfaction). These performance goals shall be identified annually, based on the approved Annual Plan. The incentive shall be a fixed dollar amount available to be earned (in whole or in part) by the Contractor on an annual basis. The Incentive Fee may be based on increases in gross revenues, or reductions in total expenses, but not both. In no case shall the provision of this incentive fee exceed 20% of the Contractor's total Management Fee compensation.

B.4 CONTRACTOR CAPITAL INVESTMENT

Please describe your proposed capital asset and equipment acquisition plan for the contractor funded investment for the minimum \$350,000 as outlined in 2.18 of Section 2.0 Scope of Work of this solicitation.

B.5 IRS REQUIREMENTS

The primary dining facility with respect to which the Contractor shall provide its services has been financed with tax-exempt bonds which will not be "private activity bonds" under applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"). The compensation to the Contractor is intended to comply with applicable rules and guidelines, including Income Tax Regulation 1.141-3(4), effective May 16, 1997, and Revenue Procedure 2017-13 (2017-6 Internal Revenue Bulletin 787, dated February 6, 2017). Any alternative compensation proposal, the Offeror's response, and all matters relating to the Contract are subject to approval by the College's co-bond counsel in connection with their determination that the College's bonds will not be "private activity bonds" under the Code. Keeping in mind this stipulation, the Contractor may choose to offer more than one approach.