

UAA RFP P19-004 APPENDIX 5

ALASKA AIRLINES CENTER DINING PROVIDER TERMS OF
AGREEMENT

BY AND BETWEEN

University of Alaska Anchorage

AND

Vendor,
by and through its **Vendor** Division

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ARTICLE I: DEFINITIONS

- 1.1 Alaska Airlines Center/AAC Alaska Airline Center is the Athletic Arena and support facility on the University of Alaska Anchorage campus. "Alaska Airlines Center" and "AAC" will be used interchangeably in this document.
- 1.2 Academic Term. A semester.
- 1.2 Academic Year. August 1st through July 31th.
- 1.3 Accounting Period. An accounting period is one (1) calendar month within a fiscal year of July 1 through June 30.
- 1.4 Amortization. A method of allocating the cost of Vendor's investments in equipment, labor, and construction for approved University Dining Services Program capital projects over the life of the Agreement.
- 1.5 Branded Concepts. Those locally, nationally or regionally known concepts incorporated into the account and operated by Vendor through local, national, and regional third-party license agreements, franchise agreements, or subcontractor agreements. Vendor's internally developed brands shall not be considered to be Branded Concepts.
- 1.6 Capital Equipment. Equipment, fixture and furnishings that have a normal useful life of 1 year or more years and meet one or more of the following criteria:
 - 1.5.1 Have an initial acquisition cost of \$5,000 or more;
 - 1.5.2 Are Sensitive Electronics owned by University of Alaska Anchorage University, to include but not necessarily be limited to Computers (Desktop, Laptop, Tablet, iPad, Netbooks, PDA) and Point of Sale equipment.
- 1.7 Cash Sales. All revenue generated by the cash, credit card, debit card and branded restaurant gift card sales in any outlet less any sales taxes.
- 1.8 Catering. Specifically ordered food and beverage that is prepared, delivered/picked up, and served to a collective group of people outside the normal confines of the residential dining services, retail food service outlets, summer conference/camp service, and/or concessions service.
- 1.9 Charge. A fee established by Vendor for goods or services provided by Vendor.
- 1.10 Client. University of Alaska Anchorage.
- 1.11 Client /University Commissions. The fixed or percentage amounts paid to University of Alaska Anchorage University by Vendor in accordance with the Agreement.
- 1.12 Contract Administrator. University of Alaska Anchorage University's on-site authorized representative responsible for day-to-day management of the Agreement and/or his or her

designee(s) for various aspects of the Dining Services Program (Vice President for Student Life, Director of Housing and Dining).

- 1.13 Convenience Store. A small retail shop that sells a range of everyday items such as groceries, snack foods, candy, toiletries, and soft drinks, with a retail pricing structure.
- 1.14 Dining Dollars/Dining Dollars/Wolf Bucks A sum of money charged to a customer in addition to the cost of a meal plan and held in an individual account for the customer's use on a per purchase basis at either an all-you-care-to-eat "door price" residential dining operation, branded or non-branded retail dining venue, convenience store, or other a la carte operation.
- 1.15 Deficit. A negative excess of the total Authorized Operating Expenses over Net Sales.
- 1.16 Dining Services Program. Vendor's preparation, service, and sale of food, beverages, goods, merchandise, and other items at University of Alaska Anchorage University. Dining Services Program for the AAC shall include operation of the following:
- Varsity Sports Grill restaurant
 - Athletic and event Concessions within the AAC facility
 - Catering Services within the AAC facility
- 1.17 Electronic Access System. A computer based, ID accessed, declining balance system for the management of individual dining service accounts.
- 1.18 Fiscal Year. University's fiscal year, which is a period of twelve (12) consecutive months from October 1 through September 1.
- 1.19 Furnishings. Includes all the furniture and fixtures (improvements to the space such as draperies, wall treatments, light fixtures) within the Premises assigned to Vendor.
- 1.20 Gross Sales. All moneys received for sales or services provided under this Agreement rendered at or from the Premises, including sales tax.
- 1.21 Mutual Agreement. Joint agreement between University and Vendor as to the particular question involved.
- 1.22 Net Sales. All sales of food, beverages, goods, merchandise, and services in the Dining Services Program, net of sales taxes.
- 1.23 Operating Expenses. All expenses associated with the Food Service operation, as categorized in Section 15.1.
- 1.24 Payroll Tax & Benefits. Includes all payroll taxes (FICA, FUTA, State Unemployment and State Health Insurance), social insurance (i.e. workers' compensation insurance, welfare or pension plan payments), accident and health insurance premiums and the cost of employee instruction and education, employees' parties, and employee meals.

- 1.25 Periodic. The term periodic shall mean on a regularly recurring basis (i.e. monthly, weekly, quarterly, annually) as determined and agreed to either in the RFP or proposal or mutually agreed to following the Agreement signing.
- 1.26 Point-of-Sale. A computer-based system to 1) accept payment for Dining Services Program purchases, and 2) provide an ID accessed, declining balance system for the management of individual dining service accounts.
- 1.27 Premises. All areas on the campus of designated by University in Attachment 1 for Vendors' use in the preparation, sale, service, and storage of food and related supplies.
- 1.28 Pre-Opening Expenses. Costs, charges, and expenses related to the opening of the Food Service operation, immediately prior and/or during the first semester of the contract, only as pre-approved by University.
- 1.29 Proceeds. The excess of Net Sales less Vendor's Authorized Operating Expenses.
- 1.30 Retail Operations. Snack bars, cafeterias, food carts, quick service outlets, food trucks, bake shops, delis, coffee shops and kiosks, and convenience/variety stores that sell items on an a la carte basis.
- 1.31 Shall. Shall and will are used interchangeably meaning an obligation to perform.
- 1.32 Smallwares. Items used in the serving of food and beverages such as chinaware, glassware, flatware, and service ware, as well as items used in the preparation of food such as pots, pans and kitchen utensils.
- 1.33 Unallowable Vendor Overhead Expenses. The indirect costs that Vendor expends in managing the Dining Services Program that are not considered by University of Alaska Anchorage University to be an Allowable Vendor Expense for purposes of calculating Vendor's proceeds.
- 1.34 University Paid Expenses. Dining Services Program expenses paid for by University.
- 1.35 Utilities. All costs of electricity, gas, water/sewer, , phone/internet connection and cell phones.
- 1.36 Vendor Brands. Vendors' own in-house trademarked brands incorporated into University's Dining Services Program.
- 1.37 Vendor Paid Allowable Expenses. Amounts incurred and required to be paid for by Vendor that are directly attributable to the operation of the Dining Services Program and can be included as a cost, charge or expense for purposes of calculating Vendor proceeds.

ARTICLE II: TERM, TERMINATION, AND SERVICES

2.1 Term and Termination.

- 2.1.1 The term of this Agreement commences on the Effective Date of July 1, 2019 and continues through June 30, 2029 ("Initial Term") unless terminated by either party as hereinafter provided. This Agreement may be extended for one (1) additional five (5) year term upon written mutual agreement by University and Vendor prior to January 1, 2029. A year will be considered a period of twelve (12) consecutive months.
- 2.1.2 This Agreement may be canceled by University or Vendor at any time, with or without cause, upon ninety (90) calendar days written notice by University to Vendor and one hundred twenty (120) calendar days written notice by Vendor to University. In addition, Vendor's specified date for termination shall be July 31st of the contract year immediately following Vendor's notice to terminate. In the event of such a cancellation, Vendor shall be entitled to payment, determined on a pro rata basis, for work or services satisfactorily performed. In the event that Vendor gives notice under this section that it proposes to cancel the Agreement, University shall use its best efforts to secure an agreement with a new vendor whose services will commence immediately after Vendor's cancellation becomes effective. If, however, University is not able to do so, Vendor shall continue providing the Dining Services Program pursuant to the terms and conditions of this Agreement, and any addenda/amendments thereto, until an agreement with a new food service vendor becomes effective. University will not unreasonably delay in securing the services of a new vendor in the event of Vendor's cancellation.
- 2.1.3 If either party breaches a provision of the Agreement (hereafter "Cause"), the non-breaching party shall give the other party notice of such Cause or breach. If the Cause or breach is remedied to the satisfaction of the non-breaching party within thirty (30) calendar days the notice shall be null and void. If such Cause is not remedied to the satisfaction of the non-breaching party within the specified period, the party giving notice shall have the right to terminate this Agreement upon expiration of such remedy period noted in this subparagraph.
- 2.1.4 Notwithstanding any other provisions of this paragraph to the contrary, either party shall be under a duty to immediately remedy a breach of this Agreement that poses a health or safety issue. If either party determines that a breach is a danger to the health and safety to any of the parties or their employees, customers, or invitees, it shall so notify the breaching party in writing and the breaching party shall respond immediately, which shall mean that the party must use all diligence reasonably possible under the circumstances. If the breaching party does not respond promptly and appropriately to the written demand, the demanding party may take immediate action to remedy the problem and submit the cost to resolve the problem to the breaching party for reimbursement within fourteen (14) calendar days. If the breaching party fails to make the reimbursement to the demanding party, the demanding party may proceed to terminate this Agreement for Cause as provided for in this section.

- 2.1.5 If this Agreement is terminated by either party, all outstanding amounts owed Vendor by University, or University by Vendor, shall become due and payable within forty-five (45) calendar days of the termination date.
- 2.2 Services. The following services shall be provided by Vendor, collectively referred to in this Agreement as the "Dining Services Program." Generally, Vendor shall have exclusive rights to the existing dining locations and first right of refusal for future dining locations.
- 2.2.1 Retail Dining: Vendor shall have exclusive rights to manage and operate Varsity Sports Grill Attachment 1.
- 2.2.2 Athletic Concessions: Vendor shall have exclusive rights to manage and operate all concessions for the AAC Attachment 1.
- 2.2.3 Catering Services: Vendor shall have non-exclusive rights to manage and operate Catering Services at the Premises listed in Attachment 1.
- 2.3 Additional Services. Over the term of the Agreement, the University and Vendor may mutually agree upon other services and/or service locations as necessary. Any additional services or service locations shall first be memorialized by a written amendment signed by all the parties.
- 2.4 Service Exclusions. Vendor shall be prohibited from providing services to any area of campus outside of the Alaska Airlines Center and its adjacent parking lots.
- 2.5 Service Prohibitions. Vendor may not use University's Premises for any purpose related to fulfillment of other contracts of Vendor, except as specifically agreed to by University, in writing, and with financial compensation that is acceptable to University.
- 2.6 Transition Plan. The Transition Plan submitted in the Vendor proposal shall serve as the guideline for the successful Vendor to assume management of the Dining Services Program and for the successful transition/opening of the University's Food Service operations on June 1, 2019. The Transition Plan shall be subject to review and approval of the University's Contract Administrator who shall retain the authority to make alterations to the plan as deemed necessary to insure a smooth transition to the start of operations. The Vendor will provide all necessary professional coordination services for implementation of the Transition Plan at its own cost and expense. The Vendor shall attend meetings as required by University to insure a smooth transition into both summer conference and food dining operations.
- 2.7 University Use of Vendor's Premises. University shall have and maintain the right to use Vendor's assigned Premises for its various purposes as required. This includes (but is not limited to) registration of students, testing, dances, conferences, and events. The University will provide to Vendor a reasonable advance notice of such events and shall return the locations to the condition in which received.
- 2.8 Correction of Errors, Defects and Omissions. The Vendor agrees to perform work as may be necessary to correct errors, defects, and omissions in the services required under this contract, without undue delays and without cost to the University. The acceptance of the work set forth

herein by the University shall not relieve the Vendor of the responsibility of subsequent correction of such errors.

ARTICLE III: EMPLOYEES

- 3.1 Management and Personnel. Vendor shall adhere to the following requirements regarding its management and non-management personnel.
- 3.1.1 All management and non-management employees that work in the University's Dining Services Program shall be Vendor's and/or Vendor's subcontractor's employees, not University employees. It shall be Vendor's responsibility to inform all of its employees that they are clearly Vendor employees, and not employees of University.
- 3.1.2 Vendor shall employ an On-Site Management Team consisting of the following required positions:
- 3.1.2.1 General Manager (hereinafter "GM")
 - 3.1.2.2 Executive Chef
 - 3.1.2.3 Concessions Operations Manager
 - 3.1.2.4 Catering Manager
- 3.1.3 Each position of the On-Site Management Team shall be responsible for the Food Service Program as specified in this contract. Each On-Site Management Team member must have a minimum of three (3) years consecutive employment in similar food service operations (high volume and multi-unit operations) with comparable management and financial responsibilities. Each On-Site Management Team member's sole responsibility will be the University's Dining Services Program and he/she will have no other management or supervisory responsibility for other operations or businesses of the Vendor. Any exception to this is at the sole discretion of University and must be approved in writing by University. Additional requirements shall include:
- 3.1.3.1 General Manager will have extensive event management experience along with a strong background in managing an ongoing restaurant operation that supports catering.
 - 3.1.3.2 Executive Chef will have extensive, formal culinary training, including culinary certifications from an accredited culinary arts program or through the American Culinary Foundation, with particular emphasis on recipe development, menu development, food cost control and inventory management.
 - 3.1.3.3 Catering Manager will have extensive, formal training in Catering Services, with particular emphasis on customer service, event planning and presentation, and event management.
 - 3.1.3.4 Concessions Manager will have a minimum of two (2) years' experience in athletic concessions and or event management and catering.
- 3.1.4 Vendor shall employ one full-time Manager/Coordinator having a minimum of three (3) years consecutive employment in office management, including accounting, bookkeeping and financial reporting with comparable responsibilities, preferably in similar food service operations. The Business Manager/Coordinator shall be fully trained in Vendor's accounting/bookkeeping systems and shall be required to work closely with the

University's Contract Administrator on reconciliations, implementation and monitoring of financial controls and financial reporting. Additionally, the Business Manager/Coordinator shall be fully conversant with Vendor's management information system, having the ability to generate a wide range of operational and management reports from the system. The Business Manager/Coordinator's responsibility will be the University's Dining Services Program and he/she may have other management or supervisory responsibility for other operations or businesses of the Vendor but must be approved in writing by University.

- 3.1.5 On-Site Management Team assigned to the University's Dining Services Program shall be selected with prior approval of University. University reserves the right to interview and review the qualifications of the individuals that the Vendor proposes for these positions at any time during the contract period. The University may withhold approval of one or more of the individuals proposed, in which case the Vendor is required to submit other candidates (such approval shall not be unreasonably withheld by University).
 - 3.1.5.1 In no case shall Vendor initiate a transfer of a member of the On-Site Management Team more than once every three years unless mutually agreed, although University agrees that Vendor's management employees shall be permitted to and Vendor shall not discourage them from responding to an open position, which may affect their length of service at the University.
 - 3.1.5.2 In no case shall a member of the On-Site Management Team be reassigned from the University with less than ninety (90) days advance notice and replacement selection made which is acceptable to and mutually agreed to by the University.
 - 3.1.5.3 On Site Management Team positions shall not remain unfilled. During any such search period, should the GM position remain unfilled on site for more than a period of three weeks, Vendor shall be required to provide the University with an interim on-site manager with GM experience until such time as the appointed GM arrives on campus to assume his or her duties.
 - 3.1.5.4 Should any management position be vacant for more than ninety (90) days, Vendor shall make a payment to the University equal to the manager's wages beginning day ninety-one (91) until the vacancy is filled.
 - 3.1.5.5 This section shall not limit the right of a Management Team member to resign or the right of the Vendor to end the employment relationship.
- 3.1.6 All members of Vendor's On-Site Management Team shall be formally trained by Vendor in diversity and multicultural awareness. Additionally, the On-Site Management Team may be required to participate in the University's diversity training sessions.
- 3.1.7 Vendor will recruit, hire, employ, train, supervise, direct, discipline, and, if necessary, discharge any and all personnel working in the Dining Services Program. The Vendor shall have adequately trained personnel to maintain the high quality of food service required by University. Vendor shall ensure that critical positions (those that are necessary to open

and operate dining operations) will have adequate back-up employees to call in to cover for absenteeism.

Vendor shall maintain an adequate staff of managers, supervisors and employees on duty to provide an excellent level of service with regard to University's Dining Services Program, and shall provide such expertise (administrative, dietetic, purchasing, human resources, multicultural competency and so forth) as needed. University shall have the right to review staffing patterns and job schedules, and to require Vendor to alter same to insure adequate staffing.

- 3.1.8 Vendor is encouraged to maximize the hiring of existing employees of the previous vendor but shall have the discretion to choose to hire or release all current food service employees based on qualifications and individual interviews. Employees of the outgoing Vendor who are hired by Vendor may be placed on a probation of no less than ninety (90) days, which may or may not include a Performance Improvement Plan established by the Vendor to allow Vendor to evaluate work performance. All healthcare and/or health insurance benefits must be effective the first day of employment. The Vendor shall honor the accrued seniority for all employees. Notwithstanding the provisions herein, Vendor shall have the right to terminate any of Vendor's employees at any time for cause.
- 3.1.9 Vendor shall consider University's employee policies and practices when establishing policies and practices for Vendor employees.
- 3.1.10 Vendor shall not, without University's prior approval, make any substantial change in wages, fringe benefits or working conditions of non-management Food Service employees, unless required by applicable law, regulation, ordinance or court order.
- 3.1.11 Vendor shall be required to develop and implement a high quality, proactive student employee hiring and retention program. Targets for student employment shall be as mutually agreed to by Vendor and University as part of the annual Strategic Action Plan. Student retention program shall include specialized training and advancement opportunities. Vendor agrees to adhere to University employment practices whenever feasible. Vendor shall be responsible for all student employment forms and insurance, including but not limited to, any workers' compensation or other liability claims resulting from work-related injuries to students who are employed by Vendor. Student employment and retention shall be tied to KPI's.
 - 3.1.11.1 Vendor shall comply with all federal regulations related to employment and compensation of personnel including those pertaining to federal and state employment taxes (including any and all social security, unemployment taxes, and workers' compensation payments).
 - 3.1.11.2 Vendor shall require all employees to meet the appropriate health standards prescribed by applicable municipal, state, and federal laws and regulations. The Vendor represents that all services provided hereunder shall comply with the Occupational Safety and Health Act, as may be amended and including all

regulations adopted pursuant thereto and in effect at the University dining facility of performance of service.

- 3.1.11.3 To the extent permitted by law, the Vendor shall insure that any employee that reports to work ill shall be sent home and not allowed to resume work until fully recovered.
- 3.1.11.4 To the extent permitted by law, when informed that an employee of Vendor has a condition which reveals the existence of an illness or communicable disease or other condition which could affect the safe, sanitary, or healthful operation of the Dining Services Program, Vendor will ensure that said employee has undergone, by a licensed physician, an examination which would either verify or contradict the existence of the condition. To the extent permitted by law, if such condition is verified, Vendor will not utilize the services of said employee at University's Premises until the condition of that employee returns to a healthful status as indicated in writing and signed by the physician.
- 3.1.11.5 Vendor agrees that all employees will be dressed in neat-appearing uniforms with name tags that, at a minimum, identify the first name of the employee. Vendor will ensure that its employees wear proper, safe and neat-appearing footwear while working on campus. Employees of the Vendor shall be appropriately uniformed when performing their work assignments. The term appropriate uniform is interpreted to include all apparel, name tags, hats, hair nets, etc. The Vendor must submit samples of uniforms and other apparel of all service personnel for approval by University. Cost of Vendor's employee uniforms will be borne by the Vendor.
- 3.1.11.6 Vendor will issue photo identification badges to all of its employees, at Vendor expense. Vendor shall provide University with a list of its employees and shall always keep this list updated.
- 3.1.11.7 University, at its option, may provide University identification badges to some or all of Vendor's management staff. In this case, Vendor is responsible for notifying the University immediately when an employee terminates employment or loses his/her badge.
- 3.1.11.8 Vendor shall require all employees to utilize authorized and designated entrances and exits during working hours.
- 3.1.11.9 Vendor will restrict employees to assigned parking spaces during working hours and require them, when not working, to vacate Premises associated with the Dining Services Program.
- 3.1.11.10 Vendor shall assure that the GM, manager, or a supervisor will be on site at each location during all hours the Dining Services Program is in operation, including catering services.

- 3.1.11.11 Vendor shall bear complete financial responsibility for any vandalism or loss due to negligence or willful misconduct on the part of its employees.
- 3.1.11.12 Vendor shall insure that all Vendor employees adhere to University's smoking, alcohol and drug policies.
- 3.1.11.13 Vendor shall immediately notify University in writing of impending labor, employee, and vendor problems or any other circumstances that could adversely affect the operation of the Dining Services Program.
- 3.1.11.14 Vendor shall continue to provide services under the contract in the event of strikes and other labor disturbances.

3.2 Personnel Obligations. Each party hereto shall be solely responsible for all personnel actions regarding employees on its respective payroll. Each party shall withhold or pay all applicable federal, state and local employment taxes and payroll insurance with respect to its employees, insurance premiums, and contributions to benefit and deferred compensation plans, licensing fees and workers' compensation costs and shall file all required documents and forms.

3.3 Employment Screening and Employee Removal.

- 3.3.1 Vendor shall ensure that each Vendor employee assigned to the Dining Services Program has a clear criminal history. Vendor will implement a background check policy that meets or exceeds the requirements of University's internal procedures. Vendor shall exercise reasonable diligence to assure that it does not assign to University's Dining Services Program any employee or agent who may reasonably be considered to pose a threat to the safety or welfare of members to the University community or its property.
- 3.3.2 All Vendor employed personnel shall be subject to University policies, rules, codes of conduct and regulations in effect for all University employees while working on campus, as outlined in University's official Policies and Procedures, including personal behavior and the use of University property.
 - 3.3.2.1 In the event of University disapproval of the conduct or behavior of any employees, the University shall inform the Vendor.
 - 3.3.2.2 An offending employee of the Vendor shall be removed from employment in the University's Dining Services Program immediately upon the receipt of a written request from University.
 - 3.3.2.3 Notwithstanding the foregoing, Vendor shall not be required to remove any employee at the request of University if, in Vendor's reasonable opinion, compliance with any such request by University would cause Vendor to violate applicable employment laws, employment contracts, or collective bargaining agreements.

3.3.2.4 Vendor agrees to provide University with a written statement of Vendor's reasons for non-removal of such employees.

3.3.3 Vendor shall hold harmless and indemnify the University from any liability or expense arising out of Vendor's negligent failure to carry out the obligations assumed under Sections 3.3.1, 3.3.2, and 3.3.3 of this Agreement, including defense and indemnification of third party claims; provided, however, that nothing herein shall require Vendor to indemnify the University for any liability solely caused by the University's negligent acts or omissions.

3.3.4 Nothing in these sections shall be interpreted to preclude University Police Services or other law enforcement officials from taking such emergency action relative to conduct by a Vendor employee or agent who poses an immediate threat to safety or welfare of members of the University community or its property.

3.4 Employee Training.

3.4.1 Vendor shall ensure that all Vendor managers and non-management employees participate in instruction and training for proper behavior and expectations regarding:

- 3.4.1.1 Diversity and multicultural awareness, knowledge and skills;
- 3.4.1.2 Customer service standards of excellence;
- 3.4.1.3 Food preparation methods, including handling known allergen inducing foods;
- 3.4.1.4 Food safety;
- 3.4.1.5 Blood borne pathogens;
- 3.4.1.6 Sanitation standards;
- 3.4.1.7 Dress and identification;
- 3.4.1.8 Personal habits and hygiene;
- 3.4.1.9 Cleaning and sanitation procedures;
- 3.4.1.10 Life safety;
- 3.4.1.11 Equipment operation;
- 3.4.1.12 University protocol for addressing bias incidents;
- 3.4.1.13 University sexual harassment, Violence Against Women Act, and discrimination/Title IX policies;
- 3.4.1.14 Conduct when working with minors;
- 3.4.1.15 Emergency preparedness;
- 3.4.1.16 Premise-specific policies (i.e. – access, etc.).

Regularly scheduled training meetings shall be conducted no less than monthly during the academic year by Vendor at its own expense. Such meetings shall include all full- and part-time employees of Vendor, including student employees. For all new hires, Vendor will provide immediate training as necessary, covering the types of tasks performed in the assignment(s) covered by the new employee.

3.4.2 For events or dining operations where alcoholic beverages are served by Vendor employees, such Vendor employees will be trained in the service of alcohol and certified according to Alaska State requirements and in compliance with University policy, if

applicable. Upon University request, the Vendor shall provide University with proof of relevant employees' certification. The Vendor and its employees serving alcoholic beverages shall comply with the following:

- 3.4.2.1 Alcoholic beverages shall be stored only in University approved securable storage;
- 3.4.2.2 Any selected Vendor employee serving alcoholic beverages at licensed premises shall be 21 years of age or older, never convicted of a crime, and not a full-time law enforcement officer;
- 3.4.2.3 Vendor employees serving alcoholic beverages shall record sales of alcoholic beverages separately from food and non-alcoholic beverage items.
- 3.4.2.4 Vendor shall operate at least one clearly demarked and secure "dry" or alcohol-free concessions area for all athletic and cultural events at which concessions are provided.

All serving of alcoholic beverages shall be done in accordance with University policies and all applicable. State and municipal law, including restricting access to alcoholic beverages by persons under the age to consume and by those who are actually or apparently intoxicated.

- 3.5 District Support Personnel. If applicable, any and all District level support personnel assigned to University that are not part of the agreed to On-Site Management Team shall be paid as a Vendor Overhead Expense, as per the terms of Section 11.4

ARTICLE IV: GENERAL OPERATING PROVISIONS

4.1 Premises, Capital Equipment, and Furnishings.

- 4.1.1 University shall furnish at its expense, the Premises, Capital Equipment, and Furnishings owned by University including, but not limited to, kitchen equipment, servery equipment, storage equipment, fire extinguishing equipment, and dining room tables and chairs.
- 4.1.2 The Premises, Capital Equipment, and Furnishings provided by University shall comply with all applicable building, sanitation, safety and health laws, ordinances, rules and regulations, including the federal Occupational Safety and Health Act of 1970, as amended, or applicable state act and the standards promulgated there under. University agrees to be responsible for its acts or the results thereof arising solely from its breach of the aforementioned obligations, provided Vendor, its employees or agents, shall not have caused such breach. University further agrees that any modifications or alterations to the workplace or the Premises (whether structural or non-structural) necessary to comply with any statute or governmental regulation shall be the responsibility of University and shall be at University's expense unless the need for such modification or alteration is caused by misuse or negligent actions of a Vendor's employee, in which case the cost will be the responsibility of the Vendor. This section shall survive termination of this Agreement. Vendor shall take reasonable and proper care of University's property.
- 4.1.3 Vendor shall, with respect to its own property and at no cost to University, make all repairs, alterations, modifications, and replacements necessary to correct any violations of any applicable building, sanitation, health, or safety law, rule or regulation.
- 4.1.4 All Vendor proposed facility renovation or new construction, equipment installation, and/or other capital improvements or alterations require advance University notice, with such approval at the sole discretion of University. Prior to review of the request, Vendor shall provide to the University and system office design and construction documents of the work prepared by a licensed architect and/or engineer qualified within the state of Alaska. All work undertaken by Vendor shall require adherence with Prevailing Wage laws and related reporting obligations. Vendor shall be required to provide University with accurate capital budgets, impact on operating budgets, timelines, and conform to the design and construction standards as outlined in the **UAA Facility Design Standards and Procedures Guideline**.

https://www.uaa.alaska.edu/about/administrative-services/departments/facilities-campus-services/facilities-planning-construction/forms_standards/documents/UAA-Facility-Design-Standards%202016.pdf

- 4.2 Inventory of Capital Equipment and Furnishings. Immediately upon commencement of this Agreement, Vendor and University shall together conduct an initial physical inventory, of Capital Equipment and Furnishings within Vendor's Premises. The Inventory of Capital Equipment and Furnishings will be documented in Attachment 8. Thereafter, Vendor and University shall annually update this inventory, which shall include the Capital Equipment and Furnishings from

the initial inventory, plus additional purchases during the contract year, less any equipment disposed of in accordance with Section 4.9.2.5. Upon termination of this Agreement, University will confirm a final physical inventory of all Capital Equipment and Furnishings. At that time, Vendor shall surrender an equal inventory of Capital Equipment and Furnishings to University, subject to reasonable wear and tear or loss or destruction due to fire or other casualty. If any inventoried item is lost, damaged or unaccounted for prior to expiration of its useful life, either during or at termination of the contract, as a result of Vendor's negligence and not considered reasonable wear and tear, then the Vendor will either pay the University an amount proportionate to the remaining useful life of the item using the straight-line method of amortization, or replace items with an identical product or equal at Vendor's cost.

- 4.3 Smallwares. University shall furnish, at its expense, all smallwares owned by University and associated with Vendor's assigned Premises. Vendor shall provide, at Vendor expense, an initial purchase of any additional smallwares needed for the proper operation of the Dining Services Program. University provided smallwares, in conjunction with Vendor's initial smallwares purchase, shall together comprise the smallwares par stock.
- 4.4 Smallwares Inventory and Replacement. Immediately upon commencement of this Agreement, Vendor and University shall together conduct an initial physical inventory, updated annually thereafter, of the smallwares par stock associated with Vendor's Premises, to be documented as Attachment 9. Additionally, if Vendor is to provide service to new or renovated Dining Services Program locations, Vendor and University shall mutually agree to increase the par stock with such items as are required and shall mutually agree as to whether the items shall be purchased by University or by Vendor. Vendor shall be required to provide ongoing replacement of the Smallwares par stock, with all Vendor purchases to be fully expensed as a cost of operations in the year of purchase. Ownership of the Smallwares par stock shall reside with the University. Upon termination of this Agreement, Vendor shall surrender an equal inventory of Smallwares to University in the same order and condition as when received or purchased by Vendor, subject to reasonable wear and tear or loss or destruction due to fire or other casualty.
- 4.5 Right of Inspection. University retains the right to inspect, evaluate, and request changes in the operation and condition of the Dining Services Program and Premises at any time with respect to quality, quantity, and production of all food items, hours of meal service, prices, safety, sanitation, and maintenance of the facilities and equipment to bring them to levels satisfactory to University. Inspections and evaluations shall be conducted so as not to interfere with the normal operations of Dining Services Program functions.
- 4.5.1 University reserves the right to periodically conduct an unannounced inspection with or without Vendor's representatives being present. Inspectors from all state and local authorities and from University shall have complete cooperation from Vendor.
- 4.5.2 When state and local authorities arrive for inspection, University shall be notified by Vendor and, whenever practical, University's Contract Administrator shall be present for the inspection. University and Vendor shall each provide the other with copies of any state or local authority's inspection report it receives, within five (5) calendar days of receipt.

4.5.3 Within ten (10) calendar days of receipt by Vendor, Vendor shall provide University with a written report of corrective action taken. In the event that corrective action is a joint responsibility, Vendor shall notify University of its responsibility in the matter and shall work with University in the implementation of such action.

4.6 Vendor's Designated Offices.

4.6.1 Office Facilities. University shall provide, without charge to Vendor, suitable office facilities for use by Vendor in the performance of this Agreement. At a minimum, University shall provide Vendor with the following:

4.6.1.1 Space in AAC for use by the management team including a publically accessible, and professionally appearing Catering office space;

4.6.1.2 Vendor shall take reasonable and proper care of the office facilities and shall return them to University at the termination of this Agreement in good condition, ordinary wear and tear accepted.

4.6.2 Existing Office Furniture. At the commencement of this Agreement, University shall provide its existing office furniture assigned to Vendor's Premises at no charge to Vendor. Additional furniture required shall be Vendor's responsibility to obtain and purchase, at Vendor's cost, subject to University approval. Vendor shall be responsible for maintenance of such furniture in good condition and repair. Upon termination of this Agreement, Vendor shall return University's office furniture in the same condition as when received by Vendor, subject to reasonable wear and tear, loss, destruction due to fire or other casualty.

4.6.3 Telecommunications. University shall, at no additional cost to Vendor throughout the term of this Agreement, assign a mutually-agreed number of dedicated telephone lines and provide desktop and/or wall-mounted telephone instruments for Vendor's business use.

4.6.3.1 Vendor shall use University's telephone system, including University's designated service provider(s) and assigned lines and instruments, throughout the term of this Agreement.

4.6.3.2 Vendor shall not install a separate telephone system but shall be responsible for costs to repair and maintain assigned lines, costs to repair or replace telephone instruments, and local and long-distance service charges to the assigned lines. Vendor shall notify University when repairs or replacement are required, and University shall expedite said repairs or replacement.

4.6.3.3 All costs incurred by University to repair or replace lines or equipment on Vendor's behalf shall be invoiced to Vendor by University, and Vendor shall

remit payment to University within thirty (30) calendar days of receipt of invoice.

4.6.3.4 All local or long-distance service charges incurred by Vendor shall be paid by University upon receipt(s) from University's telephone service provider(s). University shall invoice Vendor for the local or long-distance service charges and Vendor shall remit payment to University within thirty (30) calendar days of receipt of invoice.

4.6.3.5 Vendor shall provide its own cellular telephones and service, at Vendor cost.

4.6.4 Office and Other Machines. Vendor shall provide all office machines necessary for the management of the Dining Services Program to including personal computers, printers, FAX machines, copy machines, calculators, safes, timekeeping equipment, and any other office machines required for Vendor's internal business operations.

4.6.5 General Office Supplies. Vendor shall furnish at its expense, necessary office supplies, including but not limited to paper, postage and file folders.

4.7 University Systems.

4.7.1 Connectivity. University acknowledges that, in connection with the services being provided hereunder, Vendor may need to operate certain information technology systems, including but not limited to point-of-sale devices, e-commerce solutions, and computer hardware and software services and applications ("Non-University Systems"). University further acknowledges that the Non-University Systems may need to interface with or connect to University's networks and information technology systems ("University Systems"). As an agent to University, the Vendor and all employees must comply completely with University Acceptable Use Policy, FERPA laws, Payment Card Industry (PCI) guidelines. All devices (whether connected through cabled network or wireless), all software and systems must be properly secured and fully compliant with current PCI standards. Any devices, software or systems that are not compliant with University PCI requirements that would result in additional costs to University for security consulting services, PCI reporting, PCI compliance or risk mitigation measures will be paid by the Vendor to University. Any additional hardware, software or systems needed to provide connectivity or security of the connectivity shall be paid for by the Vendor.

4.7.2 Email Accounts. University shall provide and assign University e-mail accounts for Vendor's key managers and supervisors. As a cost of operations, Vendor shall pay a licensing fee to University for each assigned email account. In the event of the termination or addition of a key manager or supervisor, Vendor shall notify University's Contract Administrator within 30 days of the event, and will further be required to provide the Contract Administrator with a full list of its University email accounts on July 31st of each year of the contract term.

4.7.3 Electronic Access System.

4.7.3.1 University shall provide and maintain, at its expense, a software management system that shall be capable of handling the various meal programs included in this Agreement.

4.7.3.2 As part of its Electronic Access System responsibilities, University shall provide the equipment and services identified in Attachment 6.

4.7.3.3 As part of its Electronic Access System responsibilities, Vendor shall:

4.7.3.3.1 Provide the equipment and services identified in Attachment 6.

4.7.3.3.2 Bear all costs of daily operation including cash registers, paper supplies, and labor to operate the system, including service hours for student access.

4.7.3.3.3 Be responsible and bear the cost for the maintenance and support costs of all Vendor software.

4.7.3.3.4 Be responsible and bear the cost of all hardware and software support and maintenance of University's Electronic Access System.

4.7.3.3.5 Be responsible for and bear the cost of programming and configuration of Vendor's Point-of-Sale devices.

4.7.3.3.6 Work with University's designated banking partner, including for processing of credit card purchases.

4.7.3.4 University and Vendor shall each immediately notify the other as soon as either party becomes aware that customer service may be affected because of any malfunctions which require maintenance or repairs on the Electronic Access System equipment, including all cash registers.

4.7.3.5 Vendor shall furnish University with requested daily/weekly reports to verify all customer counts, meal counts, cash sales, Dining Dollar and Wolf Bucks declining balance sales, and other pertinent information so requested pertaining to all Vendor's services, including subcontracted services. University may, at any time, make unannounced audits of the cashiers, especially the retail operations. The audits shall not interfere with peak period retail sales.

4.7.4 Website. Vendor, at Vendor's sole cost, shall establish and maintain a high quality, customer interactive, informational website for the Dining Services Program at Vendor expense, linked to University's website at a location of University's choosing ("Hosted Website"). Vendor's Hosted Website shall be in compliance with University graphic standards and the provisions of Section 8.1 and not include third party advertising without the prior written permission of University. At a minimum, the Hosted Website

shall contain the following, with information to be kept current at all times, and all content subject to University approval:

4.7.4.1 Menus Varsity Sports Grill, including menus, pricing, events and promotions.

4.7.4.2 Catering menus, pricing and policies, and link to Vendor's catering ordering software;

4.7.4.3 Upcoming events and promotions;

4.7.4.4 Information on Vendor's on-campus sustainability initiatives as well as sustainability education information. Information will be kept current at all times.

Vendor is encouraged to offer additional e-commerce solutions on its website, subject to prior review and approval by University. University shall not be required to obtain any approval from Vendor regarding the creation of the University link other than notifying Vendor of the location and/or addresses for same. University may take such action as it deems appropriate to maintain the integrity of the service and its website and accordingly has the right to remove or temporarily restrict access to Vendor's link at any time. University has the full and exclusive right to grant or otherwise permit Vendor to access University's website and use of University's site links.

4.7.5 Information Technology. University shall be solely responsible for all University Information Technology Systems, and Vendor shall be responsible for all Non-University Information Technology Systems. Vendor shall adhere to the following Information Technology provisions in operating University's Dining Services Program:

4.7.5.1 University will provide on-site management or technical personnel appropriately trained in the software systems used by University on behalf of the Dining Services Program, to include a qualified person to coordinate the programming and configuration of Point of Sale devices, as well as use of the Campus Card program including first line hardware and software support.

4.7.5.2 Vendor will provide all support for information technologies used by Vendor's personnel. Vendor will host and manage its own IT services, including web services, email, chat, and calendaring. To the extent that University allows Vendor use of University's wired or wireless networks, University support will be limited to verification of connectivity, and Vendor will maintain all IT equipment and software at version or release levels supported with timely security updates by its respective developers, licensors, or manufacturers. Vendor equipment, software, and personnel will comply with University policies including those addressing information security, privacy, and acceptable use. Vendor shall not run credit card transactions across University's wired or wireless network without consent University and will do so following PCI best practices should University provide consent.

- 4.7.5.3 Vendor agrees to keep current all Vendor provided computer hardware and software in use at the University's premises, with a maximum replacement cycle of three (3) years, unless otherwise specifically agreed to by University's Contract Administrator. All Vendor computer hardware and software must be legally licensed and follow University's patching policy.
- 4.7.5.4 Web access: Vendor will accept University credentials via (ex: Active Directory, Secure LDAP, etc.). Vendor will implement timely updates addressing any security vulnerabilities in its online system, whether discovered by Vendor, reported to Vendor, or disclosed by other parties. Failure to correct security vulnerabilities shall be grounds for termination of this Agreement. Web client access will support, and will continue to support, current versions of Internet Explorer, FireFox, Chrome, and Safari, running on Windows, MacOS, iOS, and other major internet browsers not yet developed, and will require no non-default plug-ins or extensions. Web client systems will also support and continue to support access from Android, Windows phone, and Apple IOS cellular systems. Vendor web services will be free of content harmful to client systems and will conform to the minimum standards for web-based application security described in the Open Web Application Security Project (OWASP) Guide to Building Secure Web Applications.
- 4.7.5.5 Vendor web services shall comply with the Americans with Disabilities Act (ADA), by supporting assistive software or devices such as large-print interfaces, text-to-speech output, refreshable braille displays, voice-activated input, and alternate keyboard or pointer interfaces in a manner consistent with the Web Content Accessibility Guidelines published by the World Wide Web Consortium's Web Accessibility Initiative. Vendor shall provide University current completed Voluntary Product Accessibility Template (VPAT) to detail compliance with the federal Section 508 standards. In the event that Vendor's web sites are not Accessibility compliant, University may demand that the Vendor promptly make modifications that will make the sites Accessibility compliant; in addition, in such an event University shall have right to modify or copy the site material in order to make it useable for Authorized Users.
- 4.7.5.6 Vendor shall maintain a Business Continuity/Disaster Recovery plan for all data stored by Vendor related to University's Dining Services Program in the event of a critical failure of Vendor's IT infrastructure. Said plan shall be subject to review and approval by University.
- 4.7.5.7 Vendor will be exclusively responsible for legal, regulatory, and industry standards compliance, including PCI DSS for all credit and debit card transactions associated with the Dining Services Program "Data Protection Rules"). If Vendor serves as the merchant-of-record for any credit or debit card transactions in connection with any of the services provided hereunder, Vendor shall be exclusively responsible for legal, regulatory, and industry

standards compliance, including PCI DSS, for all credit and debit card transactions associated with the Dining Services Program (“Data Protection Rules”). University agrees to implement the changes to University Systems that Vendor reasonably requests and can demonstrate are necessary or prudent to ensure Vendor’s compliance with the Data Protection Rules. In the event that implementation of Vendor’s requests result in additional hardware, software, or services costs, Vendor shall reimburse University as a cost of operations.

4.7.5.7.1 Vendor agrees to notify University within 30 days if either Vendor establishes that it is not PCI-compliant or Vendor is notified by a Qualified Security Assessor (QSA) or Vendor’s acquiring bank that Vendor is not PCI-compliant.

4.7.5.7.2 Vendor agrees to comply with all applicable laws that require the notification of individuals in the event of unauthorized release of cardholder data. In the event of a breach of any of Vendor's security obligations or other event requiring notification under applicable law, Vendor agrees to assume responsibility for informing all such individuals in accordance with applicable law and to indemnify, hold harmless and, with approval of the Alaska Attorney General, defend University and its trustees, officers, and employees from and against any claims, damages, or other harm related to such a breach.

4.7.5.7.3 Vendor agrees to notify University’s authorized representative within 24 hours in the event of unauthorized release of cardholder data.

4.7.5.8 If Vendor stores any confidential or sensitive University information, including any personally identifiable information on students, employees, or other affiliates ("Covered Data and Information"):

4.7.5.8.1 Vendor acknowledges that, for the purposes of this Agreement, it is designated as a “school official” with “legitimate educational interests” in University data and associated metadata, as those terms have been defined under the Family Educational Rights and Privacy Act (“FERPA”) and its implementing regulations, and Vendor agrees to abide by the limitations and requirements imposed by 34 CFR 99.33(a) on school officials.

4.7.5.8.2 Any confidential or sensitive University information, and any personal data collected for this service may only be used to provide this service and will not be disclosed for any reason to any third party. By way of illustration and not of limitation, Vendor will not use such data for Vendor’s own benefit and, in particular, will not engage in “data mining” of University data or

communications, whether through automated or human means, except as necessary to fulfill its duties under this Agreement, or as specifically and expressly provided for in this Agreement, as required by law, or authorized in writing by University.

- 4.7.5.8.3 University is the sole and exclusive owner of all data that is collected by the Vendor system or by University and transferred to and received by Vendor through the Vendor's system. Vendor is prohibited from providing information in response to 3rd party requests and is required to direct all such requests for information to University's Contract Administrator.
- 4.7.5.8.4 All data shall be stored at a location in the United States unless otherwise agreed by the parties.
- 4.7.5.9 Maintenance of the Security of Electronic Information: Vendor shall develop, implement, maintain and use appropriate administrative, technical and physical security measures to ensure confidentiality, integrity and availability in the collection, receipt, transmission, storage, disposal, use and disclosure of Covered Data and Information received from, or on behalf of the University. Vendor shall at a minimum maintain and use security measures no less rigorous than those afforded its own data, and that meet requirements imposed by laws or regulations applicable to the storage, use and transmission of such shared data, and commercially acceptable standards.
- 4.7.5.10 Reporting of Unauthorized Disclosures, Data Security Breaches, or Misuse of Covered Data and Information: Vendor agrees that if any use or access not authorized by this Agreement or in writing by University, or any breach or compromise of the security, confidentiality or integrity of such personal information received from University, or developed or gathered under the Agreement, is reasonably believed to have occurred, Vendor shall, in writing, notify University of the security incident within no more than twenty-four (24) hours. The report shall identify:
 - 4.7.5.10.1 The nature of the unauthorized use or disclosure;
 - 4.7.5.10.2 The data used or disclosed;
 - 4.7.5.10.3 Who made the unauthorized use or received the unauthorized disclosure;
 - 4.7.5.10.4 What Vendor has done or shall do to mitigate any deleterious effect of the unauthorized use or disclosure; and,
 - 4.7.5.10.5 What corrective action Vendor has taken or shall take to prevent future similar unauthorized use or disclosure.

Vendor shall promptly thereafter confer with University regarding the incident and, at its own expense, comply with all notification action requirements or, as requested by University, assist University with all notification actions required by University policy and the law.

- 4.7.5.11 Indemnification: Vendor shall, with approval of the Alaska Attorney General, defend, indemnify and hold University harmless from all claims, liabilities, damages, or judgments involving a third party, including University's costs and attorney fees, which arise as a result of Vendor's failure to meet any of its obligations under this Agreement.
- 4.7.5.12 Return and Destruction of Covered Data and Information: Upon termination, cancellation, expiration or other conclusion of the Agreement, Vendor shall return and destroy all University information, including any personally identifiable information on students, employees, or other affiliates. At any time, at the request of an agent of University, Vendor shall erase, destroy, and render unrecoverable all University data and certify in writing that these actions have been completed within 7 days of the request. At a minimum, a "Clear" media sanitization is to be performed according to the standards enumerated by the National Institute of Standards, Guidelines for Media Sanitization, SP800-88, Appendix A - see <http://csrc.nist.gov/>.
- 4.7.5.13 System Audits. At least once per year, at Vendor's, expense, Vendor shall conduct site audits of the information technology and information security controls for all facilities used in complying with its obligations under this Agreement, including, but not limited to, PCI Compliance and obtaining a network-level vulnerability assessment performed by a recognized third-party audit firm based on the recognized industry best practices. A copy of the site audit will be provided to University's Contract Administrator. Additionally, upon the Contract Administrator's written request, Vendor shall make available for Contract Administrator review all of the following, as applicable: Vendor's latest Statement on Standards for Attestation Engagements (SSAE) No. 16 audit reports for Reporting on Controls at a Service Organization (SOC 2) and any reports relating to its ISO/IEC 27001 certification. University shall treat such audit reports as Vendor's Confidential Information under this Agreement. Any exceptions noted on the SSAE report or other audit reports will be promptly addressed with the development and implementation of a corrective action plan by Vendor.
- 4.7.5.14 Dining Services Program Website Availability Requirement: In the event that Vendor provides a Hosted Website on behalf of University, Vendor shall ensure that its Hosted Website is available, as measured over the course of each calendar month during the contract term, at least [ninety-nine and ninety- five one hundredths percent (99.95%) of the time. "Available" means the Hosted Website is available and operable for access and use by the

University and the University community over the Internet in material conformity as per Section 4.7.4.

4.7.5.15 Point of Sale Liability. Vendor shall be responsible for any losses or liabilities that occur from the point of sale systems or equipment.

5.7.5.16 Subcontractors. The provisions outlined in Sections 4.7.5.1 – 4.7.5.15 shall be extended by contract to all subcontractors and third-party service providers to whom Vendor will provide, or give access to, University's servers, computer network and/or data that is the subject of this contract.

4.8 Vendor Technology Systems

4.8.1 Vendor Technology Systems. Vendor, at its expense shall provide an event management system for catering with the capability to order, track, manage events and invoice clients.

4.8.2 Vendor, at its expense shall provide other technology systems that it deems necessary to provide the services identified in this agreement.

4.8.3 Video Surveillance. Vendor shall provide all video surveillance and security systems it deems necessary for Vendor's Premises as a cost of operations, including installation, management, and maintenance of systems. All Video surveillance and security systems shall be subject to review and approval by University prior to purchase and installation. The creation, use, maintenance and/or disclosure of all stored data shall comply with all applicable laws, rules and regulations, including but not limited to the Alaska Government Data Practices Act, and all applicable University policies and procedures. Vendor shall provide University with a copy of any video surveillance upon request.

4.9 Stewardship

4.9.1 Vendor's Representative. Vendor shall designate a minimum one, and a maximum of two individuals to liaise with University's Contract Administrator on facilities and/or equipment maintenance and/or repair requests.

4.9.2 Maintenance and Repair Responsibilities.

4.9.2.1 University makes no implied or express warranties with respect to the equipment provided by University, including, but not limited to, the implied warranties of merchantability and fitness for a particular purpose. However, Vendor shall have the benefit of any warranty or guarantee given University by the manufacturer or the seller of the equipment.

4.9.2.2 Vendor shall be responsible for performing the proper use and care for the equipment (in accordance with manufacturer's instructions) and facilities it is assigned and/or uses in the performance of its daily duties. Vendor shall be

- responsible for performing all preventative maintenance on equipment, fixtures, furnishings and building components.
- 4.9.2.3 Vendor shall be responsible to schedule and pay for repair of University owned equipment. Repair services may be provided by the University's Facilities Management department or shall authorize the use of outside maintenance services when required for proper maintenance and/or repair.
- 4.9.2.4 Vendor shall be responsible for all costs of maintenance of University provided facilities, capital equipment and furnishings, including labor and supplies, whether provided by University's maintenance staff or by outside maintenance services, unless repairs and maintenance are the result of abuse or negligence on the part of University, its agents and/or employees, in which case, University shall pay for any required repair or replacement.
- 4.9.2.5 After consultation with Vendor regarding the disposition, removal and/or use of excess Dining Services Program capital equipment, furnishings, or smallwares owned by University, University shall declare as surplus and dispose of any surplus property or designates such for removal by vendor. Under no circumstances shall the Vendor remove any University owned equipment from the premises without written permission from the Contract Administrator.
- 4.9.2.6 Annually, but not later than February 1 of each year, Vendor shall advise University of requests for the ensuing year for new capital equipment or replacement of such current capital equipment that is worn beyond the point for which, in Vendor' opinion, the cost of repairing would exceed that of the purchase of new equipment. Vendor shall be responsible to maintain ongoing and accurate records of all preventative maintenance and repairs of University owned equipment, and to notify Contract Administrator as equipment related issues arise. University shall be responsible for the final decision as to when it shall make the investment to replace any equipment.
- 4.9.3 Emergency Disposable Service Ware. If dishwashing facilities become inoperative and paper or other disposable service is required, Vendor shall be responsible for providing and maintaining an inventory of disposable service ware adequate to meet emergency needs. Vendor shall pay all associated disposable service ware costs as a cost of operations.
- 4.9.4 Degreasing System. At Vendor's cost, Vendor shall be responsible for performing the proper use and care of all degreasing system(s) associated with the Dining Services Program, as well as the regular disposal/removal of contents from University premises by a qualified disposal provider. Vendor shall be responsible, at Vendor's cost, for weekly industrial cleaning of the areas surrounding all grease traps associated with the Dining Services Program. University shall be responsible for the regular preventive maintenance of the degreasing system(s), including comprehensive annual maintenance at a time mutually agreeable to University and Vendor.

4.9.5 Pest Control. University will be responsible for scheduling and performing pest and insect control in all facilities within which Dining Services Program will operate. Vendor shall be responsible for additional pest control as needed in areas directly utilized for Food Service, including, but not limited to dining areas, production, service, storage, and employee support areas. The schedule of frequency of the general service shall be as determined by the University. The direct cost of pest and insect control in the building will be paid by University. Additional pest control costs, as needed, for only Food Service areas will be paid by the Vendor. Vendor shall consult and work collaboratively with Student Union, Residential Life, Risk Management, and Physical Plant in its pest control efforts.

4.10 Utilities.

4.10.1 Service. University shall provide its available utility services to Vendor's Premises. Vendor may request additional utility services on behalf of the Dining Services Program, which shall be provided at University's sole discretion.

4.10.2 Utility Charges. University shall be responsible for payment of utility charges associated with all areas for the Dining Services Program.

4.10.3 Service Interruptions. University shall not guarantee an uninterrupted supply of water, electricity, gas, heat, or air conditioning. University shall not be held responsible for any disruption of utility services due to circumstances beyond University's control including, but not limited to, Acts of God, accidents, or repairs. However, University shall be diligent in restoring service following an interruption. University shall not be liable for any product loss which may result from the interruption or failure of any such utility services unless such interruption or failure is due to University's negligence.

4.10.4 Energy Conservation. Vendor shall assume responsibility for maximum utility/energy conservation by turning off or down lights, fans, water, ovens, steam equipment and other energy consuming items, when the Dining Services Program facilities are not in use or when business volume dictates a reduction in the use of utilities.

4.11 Vehicles. Vendor shall provide all necessary vehicles for use in the Dining Services Program. Vendor shall be responsible for the following costs associated with these vehicles:

4.11.1 Gasoline, oil, maintenance, repair;

4.11.2 Vehicle replacement as needed;

4.11.3 Automobile insurance as per Sections H 9.3 and I. 7. 3 of the RFP.

Vendor shall be responsible for providing adequate and qualified staff to operate the vehicles and shall be responsible for determining that each employee who drives transport vehicles has the applicable valid licenses. Vendor shall be liable for damages or injuries caused by negligent operation of the vehicle by Vendor's employees or agents.

4.12 Sanitation and Hygiene.

- 4.12.1 The Vendor shall be responsible for custodial and sanitation of all food service loading dock, receiving, office, storage, support, warewashing, production, service and dining areas associated with the Dining Services Program, with the exception of mechanical and electrical rooms, and except as otherwise noted in this contract. This includes occupational health and safety measures necessary to comply with Federal, State, and local laws, ordinances, and regulations pertaining thereto.
- 4.12.2 The Vendor shall adhere strictly to all pure food and drug regulations, health laws, ordinances, and regulations as promulgated by the State of Alaska, Municipality of Anchorage Environmental Health Services and agencies having authority thereunder, and shall indemnify and hold the University, its employees, and agents harmless from all claims arising from Vendor's failure to adhere to such laws, rules and regulations. Housekeeping and sanitation programs must meet the highest standards of cleanliness, and sufficient to provide protective maintenance against unnecessary deterioration.
- 4.12.3 The maintenance of proper sanitation levels is the full responsibility of the Vendor. The University expects that a collaborative relationship will be developed between the Vendor's management staff and the University. Vendor is responsible to coordinate Municipality of Anchorage Environmental Health Services to annually inspect all food service facilities and operations associated with the Dining Services Program. All food service facilities and equipment will be maintained to the levels necessary to successfully pass each Municipality of Anchorage Environmental Health Services. Should critical, non-critical and/or repeat violations occur, Vendor shall be responsible for remedying such violations by the date indicated in the Inspection Report. When possible, the appropriate University personnel as designated by the University's Contract Administrator shall be contacted to participate with any food service inspection.
- 4.12.4 A copy of all Municipality of Anchorage Environmental Health Services Inspection reports will be forwarded to the University's Contract Administrator immediately following the inspection. If there are noted deficiencies, the Vendor shall include a written report that explains the cause and stipulates how the issues will be corrected.
- 4.12.5 Vendor shall engage a qualified, third party, University approved inspection service to conduct a health, safety, and sanitation inspection of each unit once per year at Vendor expense. A copy of the independent inspection report will be forwarded to the University's Contract Administrator immediately upon Vendor receipt.
- 4.12.6 Vendor shall train and ensure that its staff shall comply with the following hygiene standards:
- 4.12.6.1 Acceptable personal hygiene practices, including daily bathing, washing of hands with warm water and soap upon arriving for work and after using the restroom facilities;

- 4.12.6.2 Clean and appropriate outer garments or uniforms;
 - 4.12.6.3 Hairnets or hats for all staff who have hair six (6) inches or longer, and;
 - 4.12.6.4 Removal of finger jewelry (except simple wedding bands) for food handlers.
- 4.12.7 Vendor shall be responsible for providing food handler certificates as required by law, and insure that all supervisors and managers are Serv-Safe certified. Vendor shall make certification available for review upon University's request.
- 4.12.8 Vendor shall be fully responsible for the custodial and sanitation requirements outlined below, at Vendor's cost. In the event that Vendor fails to perform its custodial and sanitation obligations to University's standards, University reserves the right to perform its own custodial and sanitation services and invoice Vendor for its associated labor and supply costs.

Area	Vendor Responsibility	University Responsibility
Back of House and Vendor Office Space		
Work Area Surfaces, Walk-in Coolers/Freezers, & Equipment, Including Transport Equipment	<ol style="list-style-type: none"> 1. Keep clean from spills, grease, debris and miscellaneous waste 2. Clean and sanitize daily 	
Floors	<ol style="list-style-type: none"> 1. Keep clean from spills, grease, debris and miscellaneous waste 2. Clean & sanitize daily 	
Walls, Ceilings, Fan Blades, Wall Vents and Duct Covers	<ol style="list-style-type: none"> 1. Keep clean from spills, grease, debris and miscellaneous waste 2. Clean & sanitize monthly 	
Back of House Windows	<ol style="list-style-type: none"> 1. Clean & sanitize daily 2. Provide regular cleaning of window coverings 	<ol style="list-style-type: none"> 1. Exterior window cleaning
Lighting and Light Fixtures	<ol style="list-style-type: none"> 1. General cleaning of all light fixtures 2. Lighting and light bulb replacement, including in exhaust hoods and walk-in coolers/freezers 	
Ventilation and Exhaust Hood Systems	<ol style="list-style-type: none"> 1. Clean & sanitize exhaust hood canopies and filters as proscribed by manufacturer and/or local ordinance 	<ol style="list-style-type: none"> 1. Cleaning and maintenance of building ventilation systems, including deep cleaning of all exhaust hood duct work, plenum chambers and roof fans as needed or required by local ordinance, but no less than twice per year.
Loading Dock, Receiving & Trash Areas, and Supporting Elevators	<ol style="list-style-type: none"> 1. Keep clean from spills, grease, debris and miscellaneous waste arising from Vendor's operations 2. Weekly (or more frequently as necessary) industrial cleaning and sanitation of loading dock and loading dock trash areas 	<ol style="list-style-type: none"> 1. General cleaning of floors
Storage Areas	<ol style="list-style-type: none"> 1. Keep neat, clean, and well organized 2. Maintain all food and supplies on shelving, pallets, or racks above floor level 3. Remove and dispose of surplus equipment once annually, upon approval of the Contract Administrator 	<ol style="list-style-type: none"> 1. Review requests for removal and disposal of surplus equipment

Area	Vendor Responsibility	University Responsibility
Back of House and Vendor Office Space		
Gathering & Containerizing of Garbage & Recyclables	<ol style="list-style-type: none"> 1. Transport containerized garbage and recyclables from work area receptacles to designated dock area containers 2. Clean work area trash receptacles as needed to keep them clean and free from debris 3. Transport containers of used cooking oils to designated dock area tank 	<ol style="list-style-type: none"> 1. Arrange for garbage pick-up from loading dock areas
Janitor's Closets	<ol style="list-style-type: none"> 1. Clean & sanitize daily 	
Staff Restrooms	<ol style="list-style-type: none"> 1. Clean, sanitize, and supply daily 	
Front of House		
Serving Counters, Work Area Surfaces, Walk-in Coolers/Freezers, Tray Drop Areas & Equipment, Including Transport Equipment	<ol style="list-style-type: none"> 1. Continuous spot cleaning throughout service periods to keep free from spills, grease, debris and miscellaneous waste 2. Clean & sanitize regularly throughout the service day and between meals at a minimum 	
Serving Area Floors	<ol style="list-style-type: none"> 1. Continuous spot cleaning throughout services periods to keep free from spills, grease, debris and miscellaneous waste 2. Clean & sanitize floors behind serving counters and in circulation areas at the end of the service day 	
Serving Area Walls, Ceilings, Fan Blades, Wall Vents & Duct Covers	<ol style="list-style-type: none"> 1. Continuous spot cleaning throughout service periods to keep free from spills, grease, debris and miscellaneous waste 2. Clean & sanitize monthly 	

Area	Vendor Responsibility	University Responsibility
Front of House (cont.)		
Serving Area Lighting and Light Fixtures	<ol style="list-style-type: none"> 1. Keep all light fixtures clean 2. Serving Area Lighting and Light Fixtures Lighting and light bulb replacement for all lighting, including general area lighting, specialty lighting, heat lamps over serving counters, exhaust hoods and walk-in coolers/freezers 	
Ventilation and Exhaust Hood Systems	<ol style="list-style-type: none"> 1. Clean & sanitize exhaust hood canopies and filters as proscribed by manufacturer and/or local fire authority 	<ol style="list-style-type: none"> 1. Cleaning and maintenance of building ventilation systems, including deep cleaning of all exhaust hood duct work, plenum chambers and roof fans as needed or required by local ordinances, but no less than two times per year. Vendor to be charged by facilities for work done.
Dining Seating Area Floors	<ol style="list-style-type: none"> 1. Spot clean as needed to keep clean from spills, debris and miscellaneous waste 	<ol style="list-style-type: none"> 1. Periodic deep cleaning of public area floors (Vendor to coordinate with University janitorial services)
Dining Area Walls, Ceilings, Fan Blades, Wall Vents & Duct Covers	<ol style="list-style-type: none"> 1. Spot clean as needed to keep free from spills, grease, debris and miscellaneous waste 	<ol style="list-style-type: none"> 1. Regular cleaning of walls, ceilings, fan blades, wall vents and duct covers

Area	Vendor Responsibility	University Responsibility
Front of House (cont.)		
Dining Area Lighting and Light Fixtures	<ol style="list-style-type: none"> 1. Cleaning of light fixtures 2. Lighting and light bulb replacement (cost of light bulbs for these areas is a University cost) 	
Tables & Chairs	<ol style="list-style-type: none"> 1. Straighten tables and chairs as needed throughout service periods 2. Continuous bussing of tables throughout the service period 3. Continuous spot cleaning throughout the service period to keep clean from spills, debris, and miscellaneous waste 4. Clean & sanitize throughout the service period and at the end of each service day 5. Periodic deep cleaning of furniture upholstery, as needed and at least once per Fall semester and once per Spring semester 	
Gathering & Containerizing of Garbage	<ol style="list-style-type: none"> 1. Transport containerized garbage and recyclables from serving and dining areas to designated dock area containers, as needed during the day and at the end of each service day 2. Maintain loading dock areas free from un-containerized trash and debris of Vendor 3. Clean serving and dining area trash receptacles as needed to keep them clean and free from debris 	<ol style="list-style-type: none"> 1. Garbage and Recycling pick-up from dock areas

- 4.12.9 Section 4.12.6 notwithstanding, throughout the term of this Agreement, whenever an entire building is solely devoted to performance of the Dining Services Program, Vendor shall be fully responsible, at Vendor's cost, for all interior housekeeping, cleaning, and sanitation of the facility.
- 4.12.10 Vendor shall develop, implement, and update cleaning and sanitation schedules for all equipment and areas associated with Vendor's assigned Premises. Cleaning must be sufficient to provide routine protective maintenance against unnecessary deterioration, and/or pest infestation, as well as provide a clean, neat and sanitary appearance. Upon review and approval of University's Contract Administrator, schedules shall be posted and implemented within 30 days of the start of this Agreement.
- 4.12.11 Vendor shall cooperate with University in minimizing disposal costs. Vendor shall provide for any special waste product or special product packaging removal.
- 4.12.12 University shall provide a two-day period twice per year, during which University dining facilities can be closed to operations. University shall coordinate said scheduled closures with Vendor. During these semi-annual closures, Vendor and University responsibilities shall be as follows:
- 4.12.12.1 Vendor. Vendor shall be responsible to deep clean and sanitize all food service equipment, exhaust hood canopies, work tables, counters, and fixtures in Vendor's assigned production, serving, warewashing, and support areas, in accordance with manufacturers' instruction. For all areas of Vendor's assigned Premises, including dining areas, Vendor shall deep clean and sanitize all floors, windows, walls, ceilings, light fixtures, furniture and furniture upholstery and air ducts.
- 4.12.12.2 University will clean exhaust hood ducts, plenums, and related units and fans in accordance with local ordinance. University will clean all exterior windows.
- 4.12.13 When Dining Services Program Premises are closed for University breaks in schedule, these areas shall be left in a clean and ready-for-inspection condition. Work schedules shall provide sufficient personnel and time for full cleaning prior to a shut-down of three (3) or more calendar days.
- 4.12.14 When Vendor serves or caters food service outside its assigned Premises, Vendor shall be responsible for cleanup of service and food preparation areas at those locations, which shall be accomplished so as not to interfere with academic use of those locations.
- 4.12.15 University shall be responsible for any costs involved in setting up and cleaning of Vendor's assigned Premises for functions or events not managed by Vendor. University shall pre-approve all Vendor's cleaning supplies and equipment.

4.12.14 Vendor and University shall each be responsible to provide and pay for all necessary janitorial supplies for their respective areas of responsibility.

4.13 Food Safety and Quality Control.

4.13.1 Vendor shall develop and maintain a process that incorporates HACCP (Hazard Analysis, Critical Control Point) monitoring, testing and recording of serving and storage temperatures, as established by the United States Department of Agriculture and in full conformance with all state and local sanitation and safety regulations. The HACCP plan shall be provided by Vendor to University's Contract Administrator for review and approval.

4.13.2 Foods shall be stored served at industry standard temperatures, in conformance with HACCP standards and the requirements of the Alaska State Department of Health and other applicable regulatory agencies.

4.13.3 Frozen foods, once thawed, shall not be refrozen. Leftover foods from meal service shall not be refrozen, but rather, shall be labeled, dated, and refrigerated according to HACCP protocol and local health code. Such foods must be used within the time limit set by local health code, with the exception of mustard, ketchup, bread, and cheese.

4.13.4 All leftover food products to be served at a future time must be served in manners consistent with HACCP guidelines for re-use. Leftover food may not be frozen and then reheated.

4.13.5 Vendor shall develop creative displays and attractive garnishes in each serving area. Serving lines, salad and deli bars, and all other food display areas are to be attractively decorated for each meal with seasonal décor or other items.

4.13.6 Attractive food wrappings are to be used as needed to protect freshness. Any food appearing discolored, unappealing or not fresh shall not be served. Leftover items which cannot be maintained at an acceptable and high level of freshness will not be served again.

4.13.7 The Vendor shall maintain and regularly revise standard recipes at the request of University in order to better respond to consumer demand. A complete standard recipe file shall be located on site at the Vendor's office.

4.13.8 Leftover foods may be donated to local charities so long as the associated food handling conforms to HACCP standards as well as state and local sanitation and safety regulations.

4.14 Procurement.

4.14.1 The Vendor shall procure all food, beverages, supplies and smallwares necessary for the effective operation of the Dining Services Program, as well as equipment, as requested or required by University. Cost of sales shall be net of any rebates obtained from local vendors, suppliers or distributors for goods procured specifically for University's

account. Prompt payment discounts and any other rebates or allowances obtained from vendors, suppliers or distribution companies, including those obtained through Vendor's national or regional purchasing arrangements based on Vendor's total purchases, will be retained by Vendor. Disposable dish-ware, flatware and other "take-out" paper or plastic products shall be shown as a separate line item under direct operating expenses. Vendor guarantees the total of the invoices amounts of such goods and any applicable procurement service fees will be comparable and competitive, on an aggregate basis with prices of similar goods and services in the local University area.

4.14.2 University retains the right to select and/or approve any vendor used by the Vendor. Vendor will also purchase brand name products or equivalents, as specified by the University.

4.14.3 The Vendor shall engage in competitive specification buying. However, food, beverages, supplies, smallwares or equipment may be procured from a facility operated by the Vendor or a parent corporation provided that such food and supplies are acceptable with respect to quality and competitive price. Whenever the Vendor shall contract with any company controlled by or under common control with the Vendor, the terms thereof shall be no less favorable to the University than what the Vendor could have obtained in the public marketplace for materials or services of the same quality and quantity from independent third parties and on terms no less favorable to the University than those pursuant to which the affiliate provides similar services to any other comparable dining service operated by the Vendor. The Vendor shall advise the University of the substance of any such agreement.

4.14.3.1 When and where reasonably cost effective, Vendor shall provide and use Alaska made products and produce from local vendors. For the initial year of the contract, Vendor agrees that a minimum of **XX% TBD per bid** of its purchases shall be agricultural products grown or food products produced in Alaska or within a 250-mile radius of the campus. Thereafter, local agricultural products purchase objectives shall be established as part of the Annual Strategic Action Plan.

4.15 Food Purchasing Specifications. Vendor shall adhere to the following standards in its food purchasing. The indicated grades are intended as minimum standards only, and Vendor shall exceed these minimums wherever possible. In the absence of grade labeling, Vendor shall provide University with package labeling codes or industry accepted grade equivalent standard to verify the minimum grades specified are being provided. All other food stuffs not included in the above categories shall be of comparable quality.

4.15.1 Beef: Beef and Veal shall be USDA Choice or better, except for meat used in extended dishes, and ground beef, which can be USDA Select. Veal steaks shall be solid meat portions – not pre-formed from chopped or ground meat. Ground beef shall not exceed 20% fat content. All Beef served shall be inspected and passed for wholesomeness by official inspectors of the USDA.

- 4.15.2 Pork and Lamb: Pork and Lamb shall be USDA Grade A, #1. Pork steaks shall be solid meat portions – not pre-formed from chopped or ground meat. All Pork and Lamb served shall be inspected and passed for wholesomeness by official inspectors of the USDA.
- 4.15.3 Poultry: All poultry shall be Grade A or better and be inspected and passed for wholesomeness by the official inspectors of the USDA. Poultry shall be solid meat portions – not pre-formed from chopped or ground meat.
- 4.15.4 Seafood: All seafood shall be of the best quality, fresh or frozen, and conform to all standards and regulations of the Department of Health. Frozen fish and seafood shall be a nationally distributed brand, packed under continuous inspection of the USDA. Seafood selections shall be in keeping with the Monterey Bay Aquarium’s Seafood Watch List Best Practices. To the extent financially feasible, preference will be given to Alaska seafood.
- 4.15.5 Deli Meat: Processed deli meats such as bologna or salami shall be an “all beef” or “all turkey” product.
- 4.15.6 Fresh Eggs: All fresh eggs shall be U.S. grade AA (Large or medium) and cage free.
- 4.15.7 Fresh Fruits and Vegetables: All fruits and vegetables shall be top grade, such as extra fancy, depending on the specific fruit or vegetable used in preparation of the finished product.
- 4.15.8 Canned Fruits: All canned fruits shall be U.S. Grade A Fancy, except Choice may be used for cooking purposes. Fruits shall be packed in light syrup.
- 4.15.9 Frozen Foods: All frozen foods shall be U.S. grade AA or A, depending on the specific product used and shall have been packed under continuous inspection by the U.S. Department of Agriculture.
- 4.15.10 Dairy Products: Milk products will be RSBT free, fortified with Vitamin D and be Grade A. Ice cream shall be available in a minimum of three flavors. Butter/Margarine shall be a minimum 92 score. Cheeses shall comply with Department of Health standards. Frozen dairy products shall comply with Department of Health standards.
- 4.15.11 Cheese: Cheeses such as Cheddar, Swiss and Monterey Jack shall be all natural, non-processed, when served as a prime ingredient in an entree, a sandwich ingredient, and sandwich spreads. American Process Cheese may also be served as a sandwich ingredient. In addition, processed cheese may be used in some cooking or as a less expensive alternative for some non-entree foods.
- 4.15.12 Trans-Fats. All food served in the Dining Services Program, whether prepared on site or purchased in a prepared state shall be free of trans-fats.

- 4.15.13 Antibiotics and Growth Additives: Vendor shall be required to demonstrate year over year continuous improvement toward reduction of antibiotics and growth additives in foods served.
- 4.16 Sponsorships. Vendor and University recognize the value of securing sponsorship relationships for University. Notwithstanding the foregoing, University will insure that such sponsorship agreements do not impair the quality of the food and beverage items served by Vendor (as compared to comparable items served at other similar venues in which Vendor or its affiliates provides food and beverage service). University and Vendor agree that they will not compromise the quality of the food and beverage items served in the dining facilities in order to secure a sponsorship. In the event University decides to enter into a sponsorship agreement (or enters into any other relationship) that increases the costs that Vendor incurs, upon written proof of the effects of such cost increases, Vendor may apply to University for an adjustment to its pricing, approval of which will not be unduly withheld.
- 4.17 Beverage Pouring Rights. As of the commencement of this Agreement, the University has an exclusive pouring rights contract for the AAC with Pepsi. Vendor agrees to abide by the terms of the existing exclusivity agreement.
- 4.18 Campus Contracts. The University reserves the right to honor any existing campus wide contract between the University and an outside provider/supplier that was entered into prior to the Effective Date of this contract and/or the right to solely negotiate and enter into any type of campus wide University contract following the Effective Date of this contract, including but not limited to University's pouring rights agreement. Vendor agrees to abide by all applicable terms and conditions of the same in providing specific food/beverage items for the Dining Services Program. This Section is subject to the provisions contained in Article IV, Section 4.17 above.
- 4.19 First Aid Equipment. Vendor shall be required to provide and maintain its own first aid equipment in each kitchen associated with the Dining Services Program.
- 4.20 Alcoholic Beverages. Vendor and University shall comply with all applicable state and local laws and all University policies and procedures pertaining to the sale and service of alcoholic beverages at any University event regardless of location.
- 4.20.1 Vendor shall acquire and maintain liquor permits and licenses as required for the University premises.
- 4.20.2 Vendor shall make provision for a defined, secure and clearly visible "dry" service area for patrons under 21 years of age for all events at which concessions are sold. Promotion and customer awareness of the "dry" are option for concessions area shall be a part of Vendor's marketing plan as detailed in Section 8.1.2.3.
- 4.21 Parking. Vendor shall obtain its own parking spaces on campus, on a first come, first served basis for a fee paid directly to University in accordance with University's parking policies.
- 4.22 Use of Subcontractors: Vendor shall use subcontractors only with advance approval of the University. No portion of this Agreement may be sublet, sub-contracted or otherwise assigned

by the Vendor without the prior written consent of University. The following requirements shall pertain to all Vendor's Subcontractors:

- 4.22.1 Subcontractor(s) must have proper license(s) and registrations as necessary to perform the resulting contract in the State of Alaska;
- 4.22.2 Vendor is required to assume full responsibility and liability for all project work and services performed by the Subcontractor(s);
- 4.22.3 All contracts between Vendor and Subcontractor must comply with the contract between University and Vendor. No conflicting terms and/or conditions will be allowed;
- 4.22.4 Vendor is required to ensure that Subcontractor(s) adhere(s) to all provisions and conditions of the Agreement;
- 4.22.5 Vendor will review with University any business plans for subcontracting prior to finalization of any agreement or conducting of business. University reserves the right to approve any Subcontractor and/or Subcontractor business plans;
- 4.22.6 University will not be a party to the terms or agreements of any contract between the Vendor and any Subcontractor, but is an intended third party beneficiary to the contract between the Vendor and any Subcontractor;
- 4.23.7 In no case shall a Vendor subcontract survive the termination of this Agreement;
- 4.23.8 Vendor shall furnish the University with copies of all executed subcontracts.

ARTICLE V: OPERATIONAL PLANNING AND QUALITY CONTROL

5.1 Annual Program Report. Beginning January 2020, Vendor agrees to provide University with an Annual Program Report by July 1st of each year for the preceding contract year, to include, but not necessarily be limited to:

- 5.1.1 Dining Services Program highlights;
- 5.1.2 Customer satisfaction findings and opportunities for improvement;
- 5.1.3 Local vendor/supplier partnership outcomes, challenges, and opportunities;
- 5.1.4 Academic partnership outcomes, challenges, and opportunities;
- 5.1.5 Student partnership outcomes, challenges, and opportunities;
- 5.1.6 Marketing outcomes, challenges, and opportunities;
- 5.1.7 Sustainability outcomes, challenges, and opportunities;
- 5.1.8 Equipment maintenance issues and equipment replacement needs;
- 5.1.9 Employee training recap;
- 5.1.10 Opportunities for Dining Services Program improvements;
- 5.1.11 Executive Summary of Dining Services Program financial results;
- 5.1.12 KPI annual assessments and measurements as specified in Attachment 7

The Annual Program Report will be used to help inform the development of an annual Strategic Action Plan for the Dining Services Program.

5.2 Strategic Action Plan. Beginning January 2021, by January 10th of each contract year, Vendor shall submit a Strategic Action plan to University for the following academic year. The Strategic Action plan shall be agreed upon by both parties and once signed shall be attached as Attachment 3 of this Contract.

At a minimum, the Strategic Action Plan shall include, but not necessarily limited to the following:

- 5.2.1 Planning and/or implementation of new dining locations and/or modifications to existing dining operations;
- 5.2.2 Varsity Sports Grill menus, concepts, pricing, days of service, and hours of operation;
- 5.2.3 Catering menus, pricing and policies;
- 5.2.4 Concessions menu, pricing and policies
- 5.2.5 Detailed Marketing Plan, with specific revenue enhancement strategies and objectives for Varsity Sports Grill, Catering and Concessions sales;
- 5.2.6 Local vendor/supplier partnership objectives;
- 5.2.7 Sustainability plan;
- 5.2.8 Employee training plan including multicultural competency training, and budget;
- 5.2.9 Student employment plan and student internship initiatives;
- 5.2.10 Equipment preventive maintenance and repair plan and budget;
- 5.2.11 Capital expenditure plan and budget;
- 5.2.12 Smallwares expenditure plan and budget for Vendor replacement smallwares;
- 5.2.13 Detailed plan for maintaining and/or improving KPI performance relative to the previous year with an explanation of the resources and costs being committed to achieving the stated goals

5.2.13 Pro forma financial projections of revenue and expenses for the Dining Services Program, by month and year for each dining operation and in total.

In consultation with Vendor, University shall have the right to make changes to the Strategic Action Plan or to refuse to expend money suggested by the Strategic Action Plan. Once the plan has been approved by University's Contract Administrator, Vendor shall be responsible to comply with the plan and shall not substantially deviate without the express written consent of University's Contract Administrator.

5.3 Quality Assurance. Quality Assurance procedures shall be as follows:

5.3.1 Vendor shall submit a quarterly operating report to University including operating and financial data, the content of which shall be as requested by University. Quarterly reports shall be submitted according to the following schedule: Reports for the quarter ending September 30 shall be submitted by October 31; reports for the quarter ending December 31 shall be submitted by January 31; reports for the quarter ending March 31 shall be submitted by April 30; and reports for the quarter ending June 30 shall be submitted by July 31.

5.3.2 University or its designated representative shall conduct a Semi-Annual Assessment of Vendor's performance. In so doing, University will measure Vendor's performance through use of a weighted Performance Scorecard that utilizes Key Performance Indicator metrics and benchmarks ("KPIs"). The Performance Scorecard is attached as Attachment 7. Scorecard results shall be the basis from which any Vendor Fee at Risk or Performance Incentive Fees are calculated as per the terms of Section 11.15. University reserves the right to modify KPIs and scoring weightings on an annual basis.

5.3.3 Upon completion of the Quarterly Assessment, a meeting shall be held with the Vendor's General Manager and District Manager, and University's Contract Administrator and other University invitees. Results will be reviewed for alignment with the annual Strategic Action Plan and shall be used as a means for setting operating and financial goals for the next period.

5.3.4 Vendor agrees to cooperate with University in responding to any and all issues concerning quality assurance, especially complaints concerning customer service, and/or the quality or nature of the food served by Vendor.

5.3.5 University reserves the right to conduct quality audits of Vendor's operations at any time, with or without advance notice to Vendor.

5.4 Customer Surveys. All customer survey instruments and collection processes shall be approved by University's Contract Administrator prior to survey administration. Survey results shall be shared in writing with University, along with the survey instrument and data collection process used. Customer surveys shall be conducted by Vendor at least once each academic year, with results timed to inform the development of the following year's Strategic Action Plan. University reserves the right to conduct independent surveys and the results of those surveys shall take precedence over Vendor's customer surveys.

5.5 Customer Feedback. Vendor shall be proactive in creating and maintaining multiple options for customer feedback, to include, but not necessarily be limited to the following:

5.5.1 Comment cards in all Dining Services Program operations, with comments and responses publicly posted in the operation within three business days of receipt;

5.5.2 Dining Services Program website;

5.5.3 Vendor's social media accounts for the Dining Services Program.

All feedback mechanisms shall be pre-approved by University's Contract Administrator.

5.6 Other Monitoring Techniques.

5.6.1 Vendor is encouraged to engage in other forms of customer monitoring such as intercept surveys and internet surveys to ascertain the likes, dislikes, and dining preferences of people who are members of the campus community but who do not use the Dining Services Program on a regular basis.

5.6.2 At least once per semester, Vendor shall conduct a 3rd party Mystery Shopper review of all Dining Services Program operations, at Vendor's expense. Vendor shall share results with University, including actions to be taken to address any reported deficiencies.

ARTICLE VI: SUSTAINABILITY

- 6.1 Sustainability Plan. As part of the annual Strategic Action Plan, Vendor shall be responsible for developing and implementing a proactive Sustainability Plan for the Dining Services Program that is fully aligned with the University's sustainability objectives, and on an ongoing basis, includes recommendations for year over year expansion and enhancements to University's and Vendor's sustainability initiatives. Vendor's Sustainability Plan shall address five key areas:
- 6.1.1 Minimization of environmental impact through Integration of seasonally available local foods; Energy efficient transportation to campus.
 - 6.1.2 Initiatives to ensure that operations use resources efficiently; Staff trained to understand energy efficiency tactics and other sustainable preparation objectives.
 - 6.1.3 Minimization of waste; Mechanisms for reducing the impact of food waste. Use of ecologically sensitive packaging; Use of recycling, including cooking oil, and other efficient waste disposal mechanisms.
 - 6.1.4 Continuous evaluation and improvement of sustainability practices; Innovation in sustainability; Provision of education to both customers and Vendor's employees about innovations and reasons for operational decisions in food service.
 - 6.1.5 Incorporation of sustainable design principles in construction projects undertaken on behalf of the University.
- 6.2 At any point during the term of the Agreement, University reserves the right to require that Vendor implement a composting program, where Vendor and/or University has reasonable access to a composting site.
- 6.3 Vendor shall comply with all University Hazardous Waste handling and disposal requirements related to the Dining Services Program.
- 6.4 Vendor shall provide and manage the University's reusable to-go container program, to be available for use at University's residential dining operation.
- 6.5 All disposable service ware used in Vendor's operations shall be at a minimum, recyclable, and preferably compostable, where Vendor and/or University has reasonable access to a composting site.

Additional information to be added based on the successful Vendor's proposal.

ARTICLE VII: SAFETY AND SECURITY

- 7.1 University shall provide general security to University premises occupied by Vendor (Vendor's "Assigned Premises" or "Premises"). It is agreed that Vendor's Assigned Premises are for use solely to fulfill Vendor's duties, and that Vendor shall at all times keep its Premises secured. Vendor shall adhere to the University Policies and Procedures and be solely responsible for the security of all its own property and of personal property under its custody and control on the Premises (including the personal property of Vendor's employees and agents), and for any repairs to or replacement or compensation for such property which may arise out of any theft, loss or damage thereto, and the University shall have no responsibility therefore.
- 7.1.1 In the event Vendor is required to share premises (e.g. the student center), in addition to Vendor securing its Assigned Premises, Vendor shall be responsible for maintaining University standards of security for the shared premises during those times the shared premises are closed. Vendor shall be responsible for any theft or loss of University property that occurs as a result of Vendor's negligent failure to provide adequate security under these circumstances.
- 7.2 Vendor shall be responsible for any keys or locking devices provided to Vendor at the onset of the contract. Vendor shall be responsible for the cost of replacement of lost keys, and if University determines that keys lost by Vendor could compromise campus security, Vendor shall be responsible for all costs associated with re-keying designated locations. Vendor may, in writing, request that University re-key the facilities prior to the commencement of the contract, or at any time during the duration of the contract, however, any costs of such re-keying shall be the sole responsibility of Vendor.
- 7.3 Vendor shall be responsible for immediately reporting, both verbally and in writing, the following to University's Contract Administrator:
- 7.3.1 Any known facts relating to losses incurred as a result of break-ins to its assigned Premises or other University facilities;
- 7.3.2 Any accidents involving staff and customers or adverse behavioral incidents involving staff or patrons, which occur in or around Vendor's assigned Premises;
- 7.3.3 Any damage to property, unsafe conditions, or security hazards of which Vendor becomes aware, and, to the extent Vendor is responsible for such conditions, take appropriate action to remedy the condition(s).

ARTICLE VIII: MARKETING

8.1 Marketing. Vendor shall aggressively market and promote AAC and Varsity Sports Grill (VSG) to all segments of the campus population. As part of the annual Strategic Action Plan, Vendor shall be responsible for developing and implementing a proactive annual Marketing and Communications Plan that is well integrated with University's Branding Program and promotes the AAC dining and VSG to the University community. The focus of the Marketing and Communications Plan shall be to maximize participation and sales in all AAC operations through use of active mechanisms such as special promotions, events, phone apps, and social media. Vendor shall continually initiate ideas for varied methods of service, merchandising, public relations, promotion, and menu presentation in all operations, at a standard similar to restaurant brands in the commercial marketplace.

8.1.1 At a minimum, the Marketing/Communications Plan must include the following:

- 8.1.1.1 Identification of target markets;
- 8.1.1.2 Specific strategies to build revenue, enhance satisfaction, and generate goodwill in the campus and local communities;
- 8.1.1.3 Tactics for effective promotion and communication to the campus and local communities;
- 8.1.1.4 Implementation plan and calendar;
- 8.1.1.5 Marketing budget;
- 8.1.1.6 Success measurement.

8.1.2 At a minimum, the Vendor shall be responsible to develop and produce the following materials in digital and printed formats to promote the Dining Services Program annually:

- 8.1.2.1 All Catering Menus and Promotional Material;
- 8.1.2.2 Varsity Sports Grill calendar of events and promotions
- 8.1.2.3 Concessions menus and specials as needed to include promotion of "dry" concessions area for patrons under the age of 21.
- 8.1.2.4 Cross marketing initiatives to be implemented targeted to the campus and the general public.

Vendor may propose alternative strategies for providing printed materials to promote the Dining Services Program, subject to University review and approval.

8.1.3 The form and content of all Marketing and Communications materials must be approved by University's Contract Administrator prior to printing or otherwise publishing. Vendor shall collaborate with the Contract Administrator in developing marketing and communications materials to ensure that the quality is first-rate, complies with University's graphic standards, and fully meets the needs of University.

8.1.4 Vendor shall be required to use the approved University logo on all letterhead, business

forms, correspondence, advertisements, promotional pieces, marketing, the Dining Services Program website, etc., subject to compliance with University's graphic standards, approval by the University's Contract Administrator, and in accordance with image guidelines and standards detailed at the following hyperlink:

<https://www.uaa.alaska.edu/about/university-advancement/university-relations/brand/image-standards>

- 8.1.5 All web pages, electronic messaging and/or print materials must be provided in an accessible format to allow individuals with visual impairment or hearing impairment to access information via screen readers or audio captioning.
- 8.2 Marketing Resources Vendor shall be responsible for all costs associated with marketing the Dining Services Program, except as otherwise specifically agreed by University's Contract Administrator, in writing. To help ensure the continual implementation of its Marketing Program, Vendor shall budget a minimum of **XXXX percent (XX%) or XXX dollars (\$XXX) (amount to be documented based on the successful Vendor's proposal and final contract negotiations)** of the prior fiscal year's total net sales for advertising, promotion, and related merchandising expenses for the following fiscal year. The following limitations shall apply in meeting the required expenditure:
 - 8.2.1 Dedicated budget for marketing
 - 8.2.2 Third party costs such as promotional dollars from a soft drink vendor shall not satisfy, in whole or in part, the required expenditure;
 - 8.2.4 Charges for Vendor's corporate marketing programs and/or collateral materials shall account for no more than 50% of the required expenditure.

Vendor's direct cost of discounted food and beverages sold or donated, or donated prizes for promotional purposes, can be included as part of the required expenditure. University, at its sole option, may require an annual itemized accounting of all Marketing expenditures.

ARTICLE IX: VARSITY SPORTS GRILL

- 9.1 Service Locations. Vendor shall have exclusive rights to manage and operate the Varsity Sports Grill (VSG) in the Alaska Airlines Center as identified in Attachment 1. Vendor shall be given the right of first refusal to operate any new retail locations that are added to the AAC dining program as a result of expansion, new construction or renovation. However, terms for the operation of any new locations shall fall within the range of existing retail operations.
- 9.2 Service Days and Hours. VSG service days and service hours shall support student lifestyles, as identified in the Attachment 2 for the first year of this Agreement. Subsequent year's hours of operation shall be mutually determined by University and Vendor in the Strategic Action Plan, approved by University's Contract Administrator.
- 9.3 Methods of Payment. Vendor shall accept cash, credit cards, debit/check cards, brand restaurant gift cards, and University declining balance accounts associated with either the Campus One-Card or Residential Dining meal plans, as payment in all Vendor's Retail Dining and Convenience Store locations.
- 9.4 Varsity Sports Grill menu shall be determined by the Vendor with input and right of review and refusal granted to the University.
- 9.4.1 Vendor shall operate VSG as full service restaurant during its hours of operation
- 9.4.2 Vendor will use just in time or cook to order food preparation methods in Varsity Sports Grill to ensure maximum food quality.
- 9.4.5 Vendor will maintain an attractive and diverse wine and beer program as part of the VSG concept.

ARTICLE X: CATERING SERVICES

10.1 Exclusivity. Vendor shall have exclusive rights to manage and operate Catering on AAC premises and adjacent parking lots for all events.

10.2 Catering Services. The Vendor shall develop and furnish a complete Catering program that is consistent with the high-quality image that University projects to its internal and external publics. All Catering events must be conducted in a first-class, professional manner with regard to creativity, presentation, quality of food and service. The following shall be minimum requirements of the program:

10.2.1 Vendor shall provide a professional, web-based software platform for menu access, ordering, confirmation, and invoicing of Catered events. Information to be available on the Catering platform shall include but not be limited to the following:

10.2.1.1 All standard Catering menus, with pricing, with liberal use of professional illustrative photography of available offerings;

10.2.1.2 All Catering policies;

10.2.1.3 All Catering service charges and ancillary fees.

The Catering software system shall be accessed via link on the Dining Services Program website and Vendor website. Vendor shall be responsible for confirming the receipt of all orders or change orders within 24 hours of receipt.

10.2.2 Vendor shall provide a comprehensive and culturally diverse catering menu, encompassing breakfast, lunch, dinner, beverage/snack breaks and receptions, and offering a wide variety of price ranges, to meet the intent of the program. Where financially feasible, Vendor shall incorporate use of locally sourced offerings in developing its menus. At least twice annually, Vendor shall update its Catering menus to reflect incorporation of new menu choices, particularly those that showcase seasonally available options.

10.2.3 Vendor shall be sensitive to the differing needs of various university constituencies and recognize that creative menus and culturally aware service techniques are required to support University's reputation for excellence and innovation, as well as the diversity of its community.

10.2.4 Due to operating budgets, the University is sensitive to price. Vendor's Catering menus for University scheduled events at the AAC, such as commencement, shall be flexible enough to provide serving sizes and service options that will accommodate these concerns. The catering program must be priced competitively to the local area, as evidenced by an annual Market Basket survey of the competitive environment in conjunction with the development of the Strategic Action Plan. Menu items to be benchmarked shall be mutually agreed to by Vendor and University's Contract Administrator.

- 10.2.5 Vendor must provide a minimum of two (2) tiers of service similar to those described below to maximize service to customers.
- 10.2.5.2 Value Service: Drop off buffet service with limited set up and bus service limited to clean up.
- 10.2.5.3 Full or Premium Service: Buffets or served meals with full wait staff and bus service including customized menus for high profile University reputation and/or donor events.
- 10.2.5.4 Vendor shall develop and document event and service standards for each service tier, subject to University review and approval.
- 10.2.6 Vendor must honor the specific commitments of menus, prices, and other arrangements made by the previous Vendor, and known by University, for catering service prior to beginning of this contract.
- 10.2.7 Vendor shall be responsible for the proper training of any employee assigned to catering events.
- 10.2.8 The Vendor shall insure that events are adequately staffed so that customers are served promptly, efficiently and professionally at all times, and that meet or exceed the level of service expected by the customer and University. The following minimum staffing guidelines will be used:
- | | |
|------------------------|------------------------|
| Buffet Lunch or Dinner | 1 server per 25 guests |
| Served Lunch or Dinner | 1 server per 16 guests |
| Receptions | 1 server per 40 guests |
| Bartenders | 1 server per 75 guests |
- 10.2.9 The Vendor shall insure that events are completely set up and ready for service at least thirty minutes prior to the scheduled event start time.
- 10.2.10 All catering equipment and supplies must be removed by Vendor within two (2) working hours after the close of the event or 30 minutes prior to the next scheduled event should same venue is being used for a subsequent event in less than two hours.
- 10.2.11 University catering events may occur at many different locations on the campus and occasionally off site. The Vendor's Catering Director/Manager will be required to work closely with the appropriate University departments and contacts in order to insure the highest quality of service, regardless of the location of the event.
- 10.2.12 At least once annually, Vendor shall, at Vendor's cost, host a Catering Showcase for University catering arrangers to highlight new products and presentation capabilities
- 10.2.13 China, glass, silver and paper service ware used for catered events shall be of superior quality. Minimum service ware standards shall be mutually established and agreed to

by Vendor and University based on event type and location. The Vendor shall be solely responsible for securing its equipment promptly at the closing of an event. When not available from the Vendor's standard catering equipment inventory, the Vendor must supply or rent specialized catering equipment as a pass-through expense to the event, without mark up.

- 10.3 Approvals. Catering menus, pricing, portion servings, policies, and service charges shall be subject to University for review and approval prior to dissemination.
- 10.4 Catering Space. Vendor shall control the space commitment and scheduling of authorized University catered events in the AAC.
- 10.5 Furniture Set-Up. AAC facilities staff shall work with the individual or department responsible for the venue's furniture set-up and tear down, excluding catering equipment and supplies, food, and catering generated waste, which shall be the responsibility of Vendor.
- 10.6 Event Admissions Control. Vendor shall be responsible for control of admissions and collection of tickets for catered events where required. AAC staff shall be responsible to control events admissions and security.
- 10.7 Invoicing and Collections. Vendor shall be responsible for the invoicing and collection of all Vendor catered functions. Vendor shall accept purchase orders, departmental funds, checks, cash, credit cards, and debit/check cards as payment. If a University invoice is past due and Vendor has followed all steps of the approval and signature process and has a valid purchase order number, then the University's Contract Administrator shall intercede to expedite payment of the invoice.
- 10.8 Billing Non-University Patrons. Vendor shall be responsible for invoicing and collection for all amounts due from Non-University groups, except when University, Vendor, and other parties agree otherwise in writing.
- 10.9 Catering Meetings.
 - 10.9.1 Vendor shall be required to attend University event planning meetings to review catering needs and orders as required.
 - 10.9.2 Vendor shall meet a minimum of quarterly with University to evaluate the catering program and, as necessary, make revisions to improve overall service.

Additional information to be added based on the successful Vendor's proposal.

ARTICLE XI: ATHLETIC CONCESSIONS FOOD SERVICES

- 11.1 Concessions Services. Vendor shall have exclusive rights and be required to provide concessions services for athletic, entertainment, and other events occurring at University of Alaska Anchorage in the Alaska Airlines Center.
- 11.2 All planned concession areas for an event must be open, staffed and ready to serve based on the following:
- 10.2.1 1.5 hours prior to the start time of any event.
- 11.3 Employees working for concession services shall be in uniform. All uniforms shall be approved by the University.
- 11.4 In all cases, Vendor shall be required to provide an on-site supervisor for the duration of any event for which it supplies concessions.
- 11.5 Menus for concessions shall reflect variety and innovation in market trends, including the development of signature items.
- 11.5.1 Menus, portion sizes and pricing shall be discussed and mutually agreed upon each year of the Agreement, as part of the Annual Plan.
- 11.5.2 Menu offerings shall be targeted to event type and anticipated audience; for instance, with a recognition that a circus or other youth-oriented event requires a different menu strategy from a rock concert or athletic event.
- 11.5.3 Occasionally, specialty concession items are provided as an integral part of an event, (i.e. circus – cotton candy). In cases where a concession item or items is provided by the Production entity, Vendor agrees to allow the Production entity to retail these products directly, outside of Vendor's designated concessions locations.
- 11.5.4 Vendor shall be responsible for providing all menu signage, as well as appropriate signage in public areas directing customers to the concession areas. All signage is subject to the approval of the University's contract administrator or its designee.
- 11.6 Vendor shall be responsible, at its sole cost and expense, to employ all personnel necessary for the efficient operation of concessions and catering during events held in the AAC, or other approved concession venues; however, Vendor is strongly encouraged to employ University of Alaska Anchorage students where possible to operate concessions.
- 11.7 Vendor is required to train and require all employees to follow the service and sanitation procedures and standards outlined in this Agreement for all concessions areas associated with

the Dining Service's Program. At the close of each event, all perishable foods and products shall be removed from concessions areas and properly stored, Vendor shall further remove all food debris and other debris from concessions areas and clean concession stands. Additionally, once per year, the Vendor shall schedule and perform deep cleaning of all concession areas associated with the Dining Services Program, either at the end the athletic season or at another time as agreed to by University's Contract Administrator. Vendor may have the opportunity to provide concession services at other locations on campus. University and Vendor shall mutually agree that adding those locations makes sense financially and operationally for both parties.

11.8 Year 1 of this agreement for concession services shall be mutually agreed upon. For subsequent years of this agreement the events and hours of operation shall be included in Attachment 3 – Strategic Action Plan and mutually agreed by the Vendor and University.

11.9 The Premises and equipment provided by the University for the performance of this Agreement shall be in good condition and maintained by the University to ensure compliance with applicable laws concerning building conditions, sanitation, safety and health.

11.9.1 University shall provide Capital Equipment as required for concession services. In the event that University requests that the Vendor purchase equipment on behalf of University of Alaska Anchorage University for any concession areas, any equipment purchases made pursuant to this Agreement shall be billed at the price quoted to Vendor and paid by the University separate from any other financial arrangements outlined in this Agreement. University and Vendor will sign a written inventory list of equipment as part of the execution of this Agreement. Vendor agrees upon termination of this Agreement to surrender such inventory of equipment to University.

11.9.2 Vendor shall furnish the services of its maintenance staff, or shall furnish the use of outside maintenance services, as and when required for the proper repair of Premises and equipment provided by University. Vendor shall be responsible for and shall pay all costs of maintenance for the Premises and equipment provided University, including repair parts, labor and supplies.

11.9.3 Prior to the commencement of this Agreement, University and Vendor will conduct a complete physical inventory jointly of food, beverages and supplies. Vendor at the price previous Vendor paid for those inventory items shall purchase any inventory items that are usable from previous Vendor. Vendor shall pay previous Vendor within 30 days from the commencement of this Agreement. At the termination, expiration or non-renewal of the Agreement, or any extensions, University or the subsequent concessions operator shall purchase the remaining food, beverages, and supplies inventory from the Vendor under the same terms and conditions set forth above.

11.10 Vendor shall be responsible for the housekeeping and sanitation inside the concession stands, and production kitchen. University shall be responsible for cleaning and sanitation of all surrounding areas.

- 11.11 University shall pay the cost of utilities (water, gas, electricity and landline telephone) consumed in the operation of the concession service as an operating expense.
- 11.12 Vendor shall accept cash, major credit cards and bank debit cards at every area that food and beverages are being sold.

XXX Additional information to be added based on the successful Vendor's proposal. XXX

ARTICLE XI: FINANCIAL ARRANGEMENTS

11.1 Financial Structure. Except as otherwise authorized in this Agreement, Vendor shall operate the Dining Services Program on a profit and loss basis, whereby Vendor shall collect all Sales Revenue and pay all Vendor Paid Allowable Expenses. In the event that Vendor Paid Allowable Expenses, as defined in Section 11.1.1, exceed Sales Revenue, Vendor shall be responsible for the loss. In the event that Sales Revenue exceeds Vendor Paid Allowable Expenses, Vendor shall retain the surplus. The costs incurred in connection with the Dining Services Program will be categorized as follows:

11.1.1 Vendor Paid Allowable Expenses. Amounts incurred and required to be paid for by Vendor that are directly attributable to the operation of the Dining Services Program and can be included as a cost, charge or expense for purposes of calculating Vendor proceeds.

11.1.2 University Paid Expenses. Dining Services Program expenses paid for by University.

11.1.3 Unallowable Vendor Overhead Expenses. Overhead costs to be paid by Vendor and not included as an allowable cost, charge or expense for purposes of calculating Vendor's proceeds.

The following paragraphs set forth these categories.

11.2 Vendor Paid Allowable Expenses. Except where otherwise noted, Vendor will be responsible for all cost charges and expenses incurred in connection with the Dining Services Program, to be fully expensed in the year incurred. Cost charges and expenses shall include the following, and only the following, amounts directly attributable to the operation of Vendor's Dining Services Program at University of Alaska Anchorage University:

11.2.1 All Food, Beverages, and Operating Supplies, plus a [REDACTED] % procurement charge.

11.2.2 Salaries, wages, and other compensation (if any) of employees assigned to the Premises only, including a payroll administration charge of [REDACTED] %; Temporary labor agencies expenses may also be included, if approved by the University's Contract Administrator;

11.2.3 Payroll taxes;

11.2.4 Employee benefits, including a benefits administration charge of [REDACTED] %.

11.2.5 Relocation expenses for members of Vendor's On-Site Management Team;

11.2.6 Employee background checks and other hiring costs for non-management personnel

11.2.7 Direct employee training expenses, as identified in the University approved Strategic Action Plan;

11.2.8 Uniforms;

- 11.2.9 Laundry and linen purchase/rental;
- 11.2.10 Paper supplies and disposable ware;
- 11.2.11 Pest and insect control within the confines of food service areas; including any charge back payment for such services by the university;
- 11.2.12 Disposable service ware costs resulting from University owned dishwashing facilities malfunction as outlined in Section 4.9.3;
- 11.2.13 Product loss resulting from University owned equipment malfunction; unless malfunction was due to interruption of utility service (gas, electric, and water);
- 11.2.14 Preventive maintenance and repair of University owned equipment except repair or replacement resulting from acts or omissions of University or its employees;
- 11.2.15 Insurance
 - 11.2.15.1 All insurance as required by the University under the terms of this agreement;
 - 11.2.15.2 Worker's Compensation based on average manual rates;
- 11.2.16 Local bank service fees (net of interest);
- 11.2.17 Credit and debit card transaction fees;
- 11.2.18 Local, long distance, and cellular telephone service and/or data service;
- 11.2.19 Office supplies and postage;
- 11.2.20 Office equipment (computers, printers, and small business equipment);
- 11.2.21 Software licensing and/or software maintenance fees, including software maintenance and support for University's Electronic Access System;
- 11.2.22 Housekeeping, custodial, and sanitation supplies and/or janitorial services;
- 11.2.23 Cost of subcontracted services, only as specifically approved by the University;
- 11.2.24 Materials, advertising, and other direct costs of implementation of on-site Vendor's Marketing Plan;
- 11.2.25 Equipment maintenance and repair costs for Preventive maintenance and repair of University owned equipment except repair or replacement resulting from acts or omissions of Vendor or its employees;

- 11.2.26 Vendor owned equipment;
- 11.2.27 First Aid supplies and equipment;
- 11.2.28 Equipment rental;
- 11.2.29 Decorative materials for use in Vendor's service locations, catering, and/or events;
- 11.2.30 Memberships for on-site personnel in local or national professional associations;
- 11.2.31 Amortization of Pre-Opening Expenses, Office Equipment and Capital Investments (straight line method over the initial Contract Term);
- 11.2.32 Smallwares replacements required to maintain University par stock levels;
- 11.2.33 Remittance of collected Sales Tax and any taxes levied by local, state or federal governments and agencies;
- 11.2.34 License and franchise fees, only as specifically approved by University's Contract Administrator;
- 11.2.35 Costs associated with unexpected expenses due to the interruption of utility services (gas, water, and electric);
- 11.2.36 Commissions payable to the University;
- 11.2.37 Cash escort services;
- 11.2.38 Health, Safety, and Sanitation inspection fees;
- 11.2.39 Costs associated with the permitting, use and maintenance of University approved delivery vehicles as required for the operation of the Dining Services Program;
- 11.2.40 Security systems;
- 11.2.41 Parking permits for Vendor's On-Site Management Team;
- 11.2.42 Contributions and donations to the University, and University scholarships;
- 11.2.43 Performance Bonds, as required by University;
- 11.2.44 All other direct costs of operation mutually agreed upon and not paid by the University.
- 11.2.45 Costs associated with steam cleaning hoods, cleaning and maintenance of degreasing equipment including grease traps.

11.3 University Paid Expenses. The University will provide and pay the following annually on behalf of the Dining Services Program operation:

11.3.1 All utilities connected to foodservice areas detailed in Attachment 1

11.3.2 Telephone equipment, data line installation, University supplied e-mail addresses, and internet services;

11.3.3 Costs associated with the University's Dining Services Program sanitation obligations, as outlined in Section 4.12;

11.3.4 Trash and recycling removal from designated collection areas;

11.3.5 Property Insurance on Premises and all University owned property contained therein;

11.3.6 Suitable office facilities for Vendor management staff, furniture, and for use by Vendor in fulfilling its obligations to the University;

11.3.7 Capital Equipment and Furnishings in campus dining locations for use by Vendor in fulfilling its obligations to University.

11.3.8 Maintenance and cleaning of:

11.3.8.1 Exterior windows

11.3.8.2 Security gates and doors

11.3.8.3 Building HVAC

11.3.8.4 PA/Sound system

11.3.8.5 Fire suppression systems

11.3.8.6 Outdoor dining and event areas

11.3.8.7 Pest control for buildings containing dining venues in all areas not directly operated by campus dining

11.4 Disallowed Vendor Overhead Expenses. Except where specifically and otherwise agreed to in advance by the University, Overhead Expenses to be paid by Vendor and not included as an allowable cost charge or expense include, but are not limited to, the following:

11.4.1 Wages, salaries, taxes, employee benefits, and bonuses of home office employees and general administrative, executive, and management officers;

11.4.2 Corporate or regional office accounting expenses including the costs of producing financial reports;

11.4.3 Home office management costs such as general management overhead, transportation of management personnel, and any other indirect management costs as related to the contract;

11.4.4 Equipment maintenance or repairs of University owned equipment necessary as the result of the acts or omissions of Vendor or its employees;

- 11.4.5 Monies or other property lost or stolen, either on or off the University's Premises;
 - 11.4.6 Inventory interest or carrying cost;
 - 11.4.7 Legal expenses, except legal services directly attributable to services provided under this agreement.
 - 11.4.8 Costs for any Vendor employee to attend seminars or conferences of any type except as agreed to in advance by the University;
 - 11.4.9 Travel expenses of all personnel above the General Manager;
 - 11.4.10 Vendor's personal use of facilities;
 - 11.4.11 Cost of additional expenses due to equipment malfunction resulting from acts or omissions of Vendor or its employees;
 - 11.4.12 Any other cost or expense not expressly set forth herein as an Allowable Expense.
- 11.5 Vendor requests for pricing increases must be predicated on increases to the cost of doing business and shall require substantiation in the form of changes to labor projections, wage/benefits rates, food costs, related operating costs and changing program needs. Price increases will be negotiated in good faith between the Vendor and University, with approval at the sole option of University; approval shall not be unduly withheld.
- 11.6 Temporary/Emergency Price Increases. All temporary/emergency price increases that have University approval go into effect one (1) week after their approval. These emergency price increases shall be reviewed monthly and at the point that the emergency no longer exists, prices shall be reduced to the approved annual price. When there is an emergency situation, temporary price adjustment requests shall be considered for those items where a dramatic cost differential exists.

Requests for price increases in any area must be accompanied by as many of the following factors listed below as applicable:

- Menu item(s) impacted;
- Changes in menu, points-of-service, additions or levels of service provided which have been previously approved by University;
- Verifications/substantiation of any other cost factor through submission of supplier invoices over the previous six-month span;
- Current/anticipated product cost;
- Current/projected number of items sold per day for retail operations;
- Current/anticipated participation (Residential Dining);
- Comparison to retail operating situations in the geographic area;
- Applicable local, regional and national statistical data.

11.8 Commissions.

11.8.1 Vendor shall pay the University the following commissions on a monthly basis. For ease of reference, the Schedule of Payment shall be documented annually in Attachment 7. Commissions shall be inclusive of Flex/Dining Dollars revenue

Commission Percentages	
Varsity Sports Grill	____% of Net Sales
AAC Concessions	____% of Net Sales
AAC Catering	____% of Net Sales

11.8.3 Vendor shall not be reimbursed for commissions paid on uncollected accounts.

11.8.4 Payments of commissions shall be made to University by Vendor on or before the 20th calendar day following the last day of the Vendor's Accounting Period in which the commissions were earned. Vendor shall prepare and provide a mutually agreed to statement of sales and commissions for each Accounting Period and shall submit such statement with the payment due to University Finance and Administration Office.

11.9 Billing and Payment. For retail operations and catering, the Vendor shall collect and deposit in its own bank all cash receipts. The Vendor shall submit invoices to University for all amounts due from the University under this Agreement at the end of each week. Payments by University shall be paid weekly and not more than thirty (30) calendar days after the receipt of the invoice, provided that Vendors' invoice is complete and accompanied by full documentation. For ease of reference, the Schedule of Payment shall be documented annually in Attachment 7. All services provided by Vendor pursuant to this Agreement shall be performed to the satisfaction of University, as determined at the sole discretion of University's Contract Administrator, and in accordance with all applicable federal, state and local laws, ordinances, rules and regulations. Vendor shall not receive payment for work found by University to be unsatisfactory or performed in violation of any applicable federal, state, or local law, ordinance, or regulation.

11.9.1 Catering Billing. Vendor shall be responsible to invoice clients directly and collect amounts due. University shall cooperate with the Vendor in the collection of delinquent accounts involving University departments.

11.10 Financial Reporting. The Vendor shall keep full, timely and accurate records in accordance with generally accepted accounting practices for all necessary Federal, State, County, and local forms and claims regarding the Dining Services Program, including any of Vendor's services that University may choose to utilize in the future. The Vendor shall provide the University's Contract Administrator with a complete set of monthly financial statements no later than the 15th day following the last day of each month. Financial statements will include the following:

11.10.1 Within fifteen (15) days of the close of each month, Vendor will be required to provide the University with monthly financial statements (for each operation and in aggregate), as well as other accounting reports as necessary showing the status of the program and the basis for both University and Vendor compensation. Each financial statement shall

show

- 11.10.1.1 Budgeted vs. actual by sales type (cash, residential meal plans, voluntary meal plans, credit card, declining balance, etc.)
 - 11.10.1.2 Budgeted and actual expense details
 - 11.10.1.3 Vendor profit/loss for
 - a. the period
 - b. year to date
 - c. comparison to the previous fiscal year period and year to date.
 - 11.10.1.4 All reports shall be for the University's fiscal year.
 - 11.10.1.5 The cost of supplies required to be purchased from a specific vendor as part of a franchise or licensing agreement for a Branded Concept shall be separated from other food and paper costs on accounting statements.
-
- 11.10.2 Monthly Commission report with revenue reported separately by retail location, catering, and concessions, reconciling commissions payable to the University with sales reported on the profit and loss statements.
 - 11.10.3 Operating statistics for each dining location and in aggregate, including but not necessarily limited to the following:
 - 11.10.3.1 Monthly guest counts by location and by meal period (breakfast, morning break, lunch, afternoon break and evening).
 - 11.10.3.2 Average check for each retail location.
 - 11.10.4 In addition to the above, the Vendor shall provide special reports and analysis of the dining program operations under the agreement as requested by University. These reports may include and not be limited to:
 - 11.10.4.1 Participation reports detailing cash register transactions in various time increments (days, hours, 15-minute segments), dollars remaining in declining balance accounts;
 - 11.10.4.2 Special event records including a summary of the number of catered events, number of attendees at each event, type of event, and average check;
 - 11.10.4.3 Sales mix report for each retail location (sales breakdown by items sold);
 - 11.10.4.4 Per capita reports.
 - 11.10.5 Upon request of University, Vendor shall meet with University to review each operating statement, explain deviations, discuss problems, and mutually agree on courses of action, to improve the results of the required services included in this Agreement. Operating statement adjustments required as a result of review and/or audit shall be identified and reflected in the next period statement.

- 11.10.6 Within thirty (30) days after the end of University's fiscal year, Vendor will be required to submit year-end financial statements for each operation and in aggregate, certified by the Chief Financial Officer of the company. While audited financial statements will not be required, the University reserves the right to audit at its sole expense, Vendor's books and records, at any time, with 48-hour notice.
- 11.11. Audits. University reserves the right to audit at any time any aspect of the services performed by the Vendor, it being understood that University shall take all reasonable steps to protect records containing proprietary or confidential information. All Vendor records shall be kept in such a way that they may be readily audited by University, shall be consistent with generally accepted accounting principles and budgets presented to University and conform to all applicable laws. Records will be kept for six (6) years from the date incurred (or longer if required by law) or until the final disposal of any claims or litigation arising out of the performance of this contract, whichever is longer.
- 11.11.1 Accounting records and documents shall be made available at Vendor's nearest district office. Vendor shall:
- 11.11.1.1 Provide University and/or its auditor's reasonable facilities for the examination and audit of the books and records.
 - 11.11.1.2 Make such returns and reports as required.
 - 11.11.1.3 Attend and answer under oath all lawful inquiries.
 - 11.11.1.4 Produce and exhibit such books and records as may be desired to be inspected.
 - 11.11.1.5 In all things, cooperate with University and/or its auditors in the performance of its duties.
- 11.11.2 If the auditor's figures vary more than 10% from the figures provided by Vendor, Vendor shall pay the difference plus the reasonable cost of the audit otherwise, University shall be responsible for the same.
- 11.11.3 Contractor Independent Audits. The Vendor shall notify University of any independent audits scheduled of the Vendor's records and operations. University shall receive a copy of all reports indicating findings that affect University.
- 11.12 Credit. Vendor shall operate on its own credit, with no advance payments from University. Vendor shall pay all costs of operations from its own banking account.
- 11.13 Vendor Investments.
- 11.13.1 Pre-Opening Expenses. Vendor will fund one-time Pre-Opening Expenses ("Pre-Opening Expenses") on behalf of the Dining Services Program, at Vendor's sole expense and only as approved by University. Pre-opening Expenses include, but are

not limited to, travel, meals, lodging, opening promotions and advertising, accounting and operating manuals and systems, interviewing and relocation, salaries and fringe benefits, crew training, and other expenses related to preparing for, and commencing services for the 2019-20 academic year. Pre-Opening Expenses shall not exceed \$_____ and shall not be included in the amortization schedule.

- 11.13.2 Capital Investments. Vendor expenditures (“Vendor Capital Investments”) to fund capital improvements to the University’s Premises shall require pre-approval by University. Work completed during the course of this Agreement shall be governed by the most recently revised AIA-Document A-201-2007, found here:

<https://www.aiacontracts.org/contract-documents/25131-general-conditions-of-the-contract-forconstruction?>

All Vendor Capital Investments as identified in Attachment 8 will be amortized on a straight-line basis either from the Effective Date or from the date of expenditure, whichever is later, with all expenditures to be fully amortized by July 31, 2030. University shall hold title to all items funded by Vendor Capital Investments. If the Agreement expires or is terminated for any reason prior to the full amortization of the Vendor Capital Investment, University or its next Contractor shall pay Vendor the unamortized portion, excluding proprietary equipment and signage utilized in the Branded Concepts operations, at zero percent interest. The amortization schedule is attached to this Agreement as Attachment 8.

- 11.13.3 Vendor Office Equipment. Vendor agrees to purchase all office and computer equipment required for the successful execution of its internal operation of this Agreement, except for equipment specifically stated as University provided under the terms of this Agreement. Title of Vendor Office Equipment shall reside with the Vendor. All Vendor Office Equipment will be amortized on a straight-line basis either from the Effective Date or from the date of expenditure, whichever is later, for a maximum term of 36 months or to contract expiration, whichever is less. All Vendor Office Equipment expenditures shall be fully amortized by July 31, 2030. Title to all Vendor Office Equipment shall reside with Vendor. If the Agreement expires or is terminated for any reason prior to the full amortization of Vendor Office Equipment, the unamortized portion of Vendor Office Equipment shall be considered a Vendor cost and shall not be reimbursed by the University. The amortization schedule is attached to this Agreement as Attachment 8.

- 11.13.4 Vendor Supplied Equipment. Vendor may provide, at its own cost and expense, any other equipment not provided by University, which Vendor deems necessary. Said Vendor Supplied Equipment and installation shall require prior approval of University. All capital equipment purchased by Vendor shall be straight line depreciated over the remaining years of the base contract term and University authorized extensions. The amortized value of any non-proprietary equipment purchased by Vendor shall become the property of University. Any unamortized equipment may be purchased by University at its discretion or by University’s next contractor. Should neither

University nor its next contractor want to purchase the unamortized equipment, then Vendor shall remove such equipment at Vendor's expense.

11.13.5 Refresh/Improvement Fund. Throughout the term of this Agreement, and any renewal extensions, Vendor, agrees to annually invest up to _____ Dollars (\$_____) to University for capital upgrades / facility improvements for the Dining Services Program. Vendor shall remit the Refresh/Improvement Investment to University no later than April 1 each year this Agreement is in effect including any renewal extension(s). The scope and specifications for the Refresh/Improvement shall be mutually agreed upon in writing by University and Vendor prior to using the funds. The parties mutually agree that the unused annual reimbursement funds shall be carried forward to subsequent years of the Agreement, and any renewal extensions, with a Refresh occurring in the Dining Services Program no less than every five (5) years. University shall hold title to the improvements funded with this investment, excluding proprietary equipment and signage utilized in Vendor's Concepts. If this Agreement expires or is terminated for any reason prior to complete amortization of the investment, University shall reimburse Vendor for the unamortized balance of the investment, excluding proprietary equipment and signage utilized in Vendor's Concepts per the schedule in Attachment 8. If this Agreement expires or is terminated for any reason, Vendor shall have no further obligation as it relates to the Refresh/Improvement Fund.

11.14 Vendor Donations. Throughout the term of this Agreement, and any renewal extensions, Vendor, as a component of its annual operating expenses, agrees to annually provide the following to University.

11.15 Performance Incentive Fees and Vendor Risk.

Vendor is eligible to receive a Performance Incentive Fee should Vendor meet University's performance expectations as measured via the Performance Scorecard in Attachment 10. The financial terms for the Performance Incentive Fee shall be as follows:

Terms to be as negotiated with the successful Vendor.

Vendor agrees to pay University a Risk Fee should Vendor fail to meet University's performance expectations as measured by the Performance Scorecard in Attachment 10. The financial terms for the Risk Fee shall be as follows:

Terms to be as negotiated with the successful Vendor.

11.16 Inventory of Food and Supplies. Upon termination of this Agreement, University shall either purchase, or require the succeeding Food Service Operator to purchase, Vendor's inventory of food and supplies at the invoice cost less any discounts. All inventory purchases shall only be

for product that is of merchantable and usable quality and reasonably necessary for the provisions of the Dining Services Program.

ATTACHMENT 1: VENDOR'S ASSIGNED PREMISES

Venue	Building/Facility	Notes
AAC Food Service		
4 concession stands	Alaska Airlines Center	
Varsity Sports Grill	Alaska Airlines Center	Includes all kitchen, office and food service storage space

ATTACHMENT 2: VARSITY SPORTS GRILL HOURS OF OPERATION

Venue	Hours	Notes
AAC Food Service		
Varsity Sport Grill Daily		
Varsity Sports Grill Special Event Schedule		Includes all kitchen, office and food service storage space

ATTACHMENT 3: STRATEGIC ACTION PLAN

To be inserted here.

ATTACHMENT 4: PAYMENT SCHEDULE

To be determined as agreed by University and Vendor.

ATTACHMENT 5: VENDOR INVESTMENTS AND AMORTIZATION SCHEDULE

To be determined as agreed by University and Vendor.

ATTACHMENT 6: ELECTRONIC ACCESS SYSTEM

University Provided Equipment

University shall provide Vendor access to the following Electronic Access System equipment for its use in operating the Dining Services Program.

To be inserted here.

Vendor Provided Equipment

Vendor shall provide the following Electronic Access System equipment for use in operating the Dining Services Program

To be inserted here.

ATTACHMENT 7: ANNUAL PERFORMANCE KPI SCORECARD

To be completed based on the University's priorities and the successful Vendor's proposal.

ATTACHMENT 8: CAPITAL EQUIPMENT AND FURNISHINGS INVENTORY

To be inserted as part of final contracting.

ATTACHMENT 9: SMALLWARES INVENTORY

To be inserted as part of final contracting.