UNIVERSITY OF NORTH CAROLINA AT PEMBROKE

DINING SERVICE PROGRAM

Exhibit A – DRAFT Scope of Work (SOW)

1. OVERVIEW
   1. University of North Carolina at Pembroke (“UNCP”) has authorized and granted the right to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Supplier”) to operate and manage an on-campus Dining Services Program (“Program”) consistent with Supplier’s July 1, 2025 proposal to UNCP and pursuant to the Master Agreement (“Agreement”) entered into by UNCP and Supplier (together the “Parties”). The Program consists of operations and services in accordance with the terms of the Agreement and this Scope of Work (“SOW”).
   2. The purpose of this SOW and its Attachments is to provide descriptions of the specific services Supplier is required to provide under the Agreement along with associated financial terms. This SOW is to be considered a part of the Master Agreement entered into by the Parties and shall be interpreted in accordance with the purposes of the said Agreement.
   3. Definitions
      1. Contract Administrator: UNCP’s on-site authorized representative responsible for day-to-day management of the SOW and/or his or her designee(s).
      2. Supplier: Dining Contractor that is responsible for day-to-day management of University Dining program.
      3. Financial definitions:
         1. Accounting Period: One (1) calendar month within a fiscal year.
         2. Allowable Operating Expenses: Direct and allocated costs, charges, and expenses incurred in connection with the Program that can be applied by Supplier to offset Sales for purposes of calculating Losses and Surpluses as further described in this SOW.
         3. Buyback: UNCP reimbursement of the unamortized portion of a Supplier contribution or asset expenditure made on behalf of the Program.
         4. Cash Donation: A gifted transfer of funds from Supplier to UNCP with no repayment requirement; for example, funding of a scholarship.
         5. Client Statement: Report provided by Supplier to UNCP depicting Revenue less Allowable Operating Expenses for the Program.
         6. Commissions: Fixed or percentage amounts paid to UNCP by Supplier.
         7. Financial Models:
            1. Profit and Loss (P&L): A financial arrangement whereby Supplier collects Sales, pays Allowable Operating Expenses, retains Surpluses (if any) and funds Losses (if any).
         8. In-Kind Contribution: A donation of goods, services or time that is valued based on Supplier’s published retail value for such goods, services or time.
         9. Loss: Allowable Operating Expenses that exceed Sales.
         10. Managed Volume: Sales plus Subsidy; sometimes used as a basis for management fees in the Cost Plus Management Fee Financial Model.
         11. Overhead Expenses: Unallowable costs, charges and expenses that are neither reimbursable by UNCP nor can be applied by Supplier to offset Sales for purposes of calculating Losses and Surpluses. Supplier Overhead Expenses may not be charged to the Program financial statement provided to UNCP, regardless of the Financial Model, except with UNCP’s written consent.
         12. Purchase Discounts: Discounts, allowances, rebates and purchase incentives that Supplier receives from its vendors in connection with purchases of food, beverages and supplies for its account at UNCP.
         13. Sales: Revenue collected from UNCP and customers in exchange for provision of goods and services, net of Sales Tax, exclusive of Subsidy payments and Management Fees.
         14. Surplus: Sales that exceed Allowable Expenses.
      4. Fiscal Year (“FY”): UNCP’s fiscal year, currently July 1 – June 30.
      5. Meal Plan definitions:
         1. Dining Dollars: Also known as declining balance or flex dollars, a sum of money included in a Meal Plan and held in an individual account for the customer’s use on a per purchase basis at various Dining Services Program locations.
         2. Meal Plan: A pre-set number of meals that is purchased in advance for an academic term for use primarily in Resident Dining locations. A meal plan may also include Dining Dollars, Meal Exchange and/or Meal Equivalency privileges.
         3. Meal Plans types include:
            1. University Mandatory Meal Plans: Meal plans sold by UNCP to residents that are required to purchase a Meal Plan.
            2. University Voluntary Meal Plans: Meal plans sold by UNCP to campus community members where purchase is not required.
         4. Meal Swipe: The right to receive a meal in exchange for a one meal reduction of the number of available meals included in a meal plan.
         5. Meal Exchange: Use of a Meal Swipe to make a food/beverage purchase at a Retail Dining and/or Concessions location. Typically, only certain meals at a Retail Dining and/or Concession location are designated as Meal Exchange eligible.
      6. Operating Plan: Included as **SOW Attachment 2,** a plan documenting important information and decisions taken about management of the Program for the next fiscal year.
      7. Program Premises: Serving, dining, kitchen, dishwashing, storage and support spaces associated with the Dining Services Program.
      8. Program Standards: Included as **SOW** **Attachment 1,** standards, requirements and processes Supplier is required to adhere to in managing the Program.
      9. Service Lines
         1. Alcohol Service: Provision of alcohol at Retail Dining locations and/or in conjunction with Catering Services or Concessions Services, in accordance with UNCP policies and only upon UNCP authorization.
         2. Catering Services: Provision of food and beverage for meetings, gatherings, social events and organized pre-semester meals.
         3. Concessions Services: Sale of pre-packaged food and beverages related to event-based activities such as athletic games and theater performances.
         4. Conference Dining: Provision of food and beverage to participants in conference and camp programs hosted on campus; may occur year-round or over the summer only.
         5. Residential Dining: Services and service locations primarily for resident student use although also welcoming non-resident customers. Most often, service is “all you care to eat” and payment is by Meal Swipe or a set cash price paid upon entry (“Door Price”).
         6. Retail Dining: Services and service locations that sell food and beverage on an a la carte basis. Examples include cafes, coffee shops, snack bars, quick service locations, food trucks, food carts/kiosks and convenience stores/markets.
      10. Smallwares: Items used in the production and serving of food and beverages such as chinaware, glassware, flatware, service ware, pots, pans and kitchen utensils.
      11. Supplier Forecast: Included as **SOW Attachment 3,** Supplier’s financial projections over the life of the SOW Term as forecasted at the time of SOW commencement.
2. SOW TERM
   1. The term of this Scope of Work (SOW) shall coincide with the term of the Agreement, unless extended by both parties or terminated per the Termination provisions in the Agreement.
3. CONTRACT ADMINISTRATOR
   1. UNCP shall assign a Contract Administrator to act as UNCP’s representative in overseeing and evaluating Supplier’s performance under this SOW.
4. OPERATING PLAN
   1. Prior to the start of each Fiscal Year, Supplier and UNCP shall work collaboratively to develop an Operating Plan in accordance with the provisions of **SOW Attachment 1 Program Standards**. The agreed Operating Plan will be documented in **SOW Attachment 2 Operating Plan**.
5. ASSIGNED PREMISES AND FF&E
   1. Upon commencement of the SOW, UNCP shall assign the following for Supplier’s use in fulfilling its obligations under the SOW:
      1. Existing Program facilities, furniture, fixtures and equipment (“FF&E”)
      2. Existing Program offices, office furniture and office equipment for use by Supplier’s staff
   2. UNCP shall retain ownership of its assigned Premises and FF&E.
6. LOCATIONS AND SERVICES
   1. Subject to the exclusions in subsection c) of this section, Supplier is granted the exclusive right to provide and manage UNCP’s Dining Services Program on the UNCP main campus (the “Premises”). Supplier shall provide comprehensive and high-quality programs and services for the following service lines, in accordance with **SOW Attachment 1 Program Standards**:
      1. Residential Dining:
         1. The Dining Hall – James B. Chavis Student Center
      2. Retail Dining: To be documented based on the successful Supplier’s proposal.
         1. Chick-fil-A – James B. Chavis Student Center
         2. Brave’s Place – James B. Chavis Student Center (located within Dining Hall)
         3. Starbucks – DF Lowry, University College
         4. Café 641 – Mary Livermore Library
         5. EAT Café – James A. Thomas Hall
         6. Einstein Bros Bagel – Weinstein Health Sciences Building (Closing Fall 2028)
         7. Papa Johns - Weinstein Health Sciences Building (Closing Fall 2028)
         8. Retail TBD - Allied Health Sciences Building (Opening Fall 2028)
      3. Summer Conference Dining
      4. Catering Services:
         1. Campus exclusivity
         2. Exclusions as noted in 6)c)i) exceptions a)b)c)
      5. Concessions Services: To be documented based on the successful Supplier’s proposal
         1. Locations
            1. Football – Grace P. Johnson Stadium
            2. Basketball – Lumbee Guaranty Bank Court
            3. Softball – upon completion of concession stands – Planned opening Spring 2025
            4. Baseball – upon completion of concession stands– Planned opening Spring 2025
         2. Concessions to include:
            1. Concession services shall be pre-packaged concessions at football, basketball, baseball, and softball games
            2. Option to incorporate hot food or food truck(s) at select games for football, basketball, baseball, and softball games
      6. Alcohol Service, as follows:
         1. Catering Services
         2. Concessions Services
         3. Future service locations as may be mutually agreed by UNCP and Supplier
   2. Specific locations, services and service hours shall be as outlined in **SOW** **Attachment 2** **Operating Plan**, which will be updated as locations or services are added, removed or modified by UNCP in consultation with Supplier.
   3. Service exclusions include:
      1. Catering Services
         1. Exceptions to Supplier’s exclusive rights are as follows, it being understood that third-party caterers shall not have access to Supplier’s food storage and preparation facilities:
            1. UNCP campus groups that submit and are approved for a liability waiver through the Financial Planning and Analysis Office
            2. UNCP groups that spend less than $300 for food and beverages
            3. Local Food Trucks for special events and occasions approved for liability waiver through the Financial Planning and Analysis Office
            4. Off-campus UNCP owned buildings
      2. Concessions
         1. Food donations resulting from sponsorship agreements with UNCP Athletics, it being understood that Supplier is not required to serve donated items.
      3. UNCP and/or Student Club and Organizations sponsored Farmer’s Markets, bake sales and other food-related fundraising activities
7. SELF-PERFORMED COMMERCIAL BRAND CONCEPTS
   1. Supplier shall manage and operate the following commercially recognized Retail Dining brands (“Self-Performed Commercial Brands”):

|  |  |  |
| --- | --- | --- |
| **Brand** | **Location** | **Planned Implementation Year** |
| Chick-fil-A | James B. Chavis Student Center | NA |
| Starbucks | DF Lowry Building | NA |
| TBD | TBD | TBD |
| TBD | TBD | TBD |

* 1. Supplier shall pay all franchise fees and other costs associated with Commercial Brand acquisition.
  2. Supplier shall be responsible for all Commercial Brand refresh requirements or update expenses.
  3. Supplier agrees that its Self-Performed Commercial Brand agreements shall not extend beyond the date of SOW termination unless mutually agreed to by Supplier and UNCP.
  4. Supplier shall ensure that its Self-Performed Commercial Brand agreements are assignable to UNCP in the event of early termination of the SOW.

1. ALCOHOL SERVICE AND LICENSING
   1. If agreed by the operable alcohol licensing authority, Supplier shall provide Alcohol Services. Supplier shall obtain and keep in force all licenses and permits required for provision of alcoholic beverages in the Program. UNCP agrees that Supplier will have the exclusive right to serve alcoholic beverages in locations for which Supplier holds or manages an alcohol permit or license.
   2. Supplier shall be solely responsible to:
      1. Ensure full compliance with governmental rules and regulations associated with the maintenance of UNCP’s alcohol permits and licenses.
      2. Train its employees in safe service of alcohol and obtaining required governmental certifications.
   3. Supplier shall provide alcohol services in strict accordance with UNCP alcohol policies and applicable state, and other laws regarding alcohol service, which may be changed or updated from time to time.
   4. Supplier shall provide licenses for the following:
      1. Beer
      2. Wine
      3. Mixed beverages
2. POURING RIGHTS AND SPONSORSHIP AGREEMENTS
   1. Supplier agrees to adhere to the provisions of UNCP’s current Pouring Rights Agreement with Coca Cola (“Beverage Company”). Supplier may purchase products from Coca Cola at UNCP’s contracted prices or, only upon Beverage Company approval, through its own pricing agreement with Beverage Company.
   2. Supplier agrees to adhere to the provisions of future sponsorship agreements made by UNCP (“Future Sponsorship Agreements”). With respect to these Future Sponsorship Agreements, Supplier and UNCP recognize the value of securing sponsorship relationships for UNCP. Notwithstanding the foregoing, UNCP will ensure that such sponsorship agreements do not impair the quality of the food and beverage items served by Supplier (as compared to comparable items served at other similar venues in which Supplier or its affiliates provides food and beverage service) or increase the costs for such items (as compared to the Supplier’s pricing for comparable items of similar size and quality). UNCP and Supplier agree that they will not compromise the quality of the food and beverage Items served in the Dining Services Program in order to secure a sponsorship. In the event UNCP decides to enter into a sponsorship agreement (or enters into any other relationship) that increases the costs that Supplier incurs, then UNCP shall fully reimburse Supplier for such cost increases.
3. DELIVERY SERVICE
   1. Supplier agrees to provide delivery service from all Retail Dining locations using its own proprietary technology/app (upon UNCP approval) or a reputable delivery service.
4. MEAL PLANS
   1. Supplier shall be responsible for marketing and sales of all UNCP Meal Plans and Supplier Voluntary Meal Plans to resident students and the UNCP community.

UNCP shall take payment for and administer all UNCP Meal Plans and Supplier Voluntary Meal Plans to include dispensing and management of cards and collection of funds including if financial aid is used.

* 1. UNCP retains the right to approve Supplier’s Voluntary Meal Plan options and pricing.

1. PRE-SEMESTER MEALS
2. Supplier shall provide the agreed to meals to students that arrive on campus prior to the start of the board operating days.
3. The cost shall be as indicated in the table below:

Insert negotiated pricing table from Appendix 3 Financial Proposal

1. Meals shall be provided buffet style in a mutually agreed location.
2. Number of student participants shall be provided 7 days in advance.
3. TECHNOLOGY
   1. Responsibilities for provision of technology shall be as follows:

To be documented based on the successful Supplier’s proposal.

Insert Technology Responsibilities table here.

1. STEWARDSHIP RESPONSIBILITIES
   1. Smallwares
      1. UNCP will make available all existing smallwares equipment for Supplier’s use in operating the Program. Smallwares equipment consists of dishware, glassware, cutlery, utensils, pots, pans, display equipment, and other similar loose items necessary for normal operations.
      2. Upon execution of an applicable SOW, Supplier will contribute any additional smallwares equipment necessary for the proper operation of the Program (“Contributed Smallwares”). Supplier’s cost for Contributed Smallwares will be reimbursed by UNCP only as specifically agreed in the applicable SOW.
      3. Ownership of all smallwares equipment, including Supplier’s Contributed Smallwares, will reside with UNCP.
      4. Upon execution of the applicable SOW, Supplier will assist the Contract Administrator in documenting an inventory of UNCP’s existing smallwares. The inventory will be updated to include Supplier’s contributed smallwares, which together with UNCP’s existing smallwares will comprise the smallwares inventory par stock (“Smallwares Par Stock”). Thereafter, Supplier will provide ongoing replacement of the Smallwares Par Stock with identical items except where otherwise specifically authorized by the Contract Administrator (“Smallwares Replacement”). Supplier’s Smallwares Replacement will be fully expensed as a cost of operations in the year of purchase. At termination or expiration of the applicable SOW, Supplier will return the Smallwares Par Stock to UNCP plus all additional smallwares items then associated with the operation of the Program.
   2. Sanitation
      1. Supplier shall maintain Dining Services Program facilities and equipment in excellent and sanitary condition always, in accordance with the division of responsibilities and requirements documented in **SOW Attachment 5 Sanitation Responsibilities**. UNCP reserves the right to modify sanitation responsibilities from time to time as needs evolve and will work collaboratively with Supplier to align requested changes with Supplier’s operating budget.
   3. Equipment Maintenance
      1. Supplier shall maintain all equipment associated with the Dining Services Program in full working order.
      2. As part of its Transition Services, Supplier will confirm with UNCP a food service equipment preventive maintenance plan (“Preventive Maintenance Plan”) is in place.
      3. UNCP will manage repairs to UNCP-owned Food Service Equipment. Repairs will be made in accordance with the following procedure:
         1. Once Supplier determines that a repair is required, Supplier will notify UNCP Facilities/UNCP Contract Administrator immediately of necessary repairs. UNCP Facilities will establish repair needs.
      4. Supplier will participate with the Contract Administrator in joint physical inventories of UNCP-owned FF&E associated with the Program to maintain a record of the equipment in use and identify equipment that is nearing the end of useful life. An initial inventory will be taken as part of Supplier’s Transition Services, and thereafter, inventories will be taken from time-to-time during the SOW term, including one at termination of the Agreement or SOW. Upon termination or expiration of the Agreement or SOW, Supplier will leave all UNCP-owned equipment associated with the Program in the same condition it was received, subject to reasonable wear and tear and loss or destruction due to fire or other casualty. If Supplier cannot produce a piece of equipment that is documented in UNCP’s equipment inventory, Supplier will replace such equipment with equipment of equal specification at Supplier’s cost with no reimbursement.
      5. Supplier will recommend additions to or replacement of UNCP-owned Food Service Equipment on an as needed basis. Such requests will be subject to UNCP approval. As requested, Supplier will assist UNCP in the selection and procurement of approved equipment purchases.
      6. UNCP reserves the right to modify equipment maintenance responsibilities from time to time as needs evolve and will work collaboratively with Supplier to align requested changes with Supplier’s operating budget.
      7. Supplier may not remove any University owned or UNCP-owned property from the Premises without written permission from the Contract Administrator.
   4. Building Maintenance and Repair
      1. UNCP will be responsible for and manage repair and maintenance of Program Premises and infrastructure (plumbing, electrical, HVAC, lighting, finishes, vents to outside, gas line etc.).
2. PERFORMANCE MANAGEMENT
   1. Supplier’s Performance shall be monitored and measured through key performance indicators (KPI) scorecards documented in **SOW Attachment 2** **Operating Plan**.
   2. The rhythm of business for performance management shall be as follows:
      1. The Contract Administrator will measure Supplier performance on a semester basis (the   
         “Performance Period”) through use of a performance scorecard that utilizes key performance indicator ("KPI") metrics and benchmark measurements. The KPIs shall be the basis from which Supplier’s risk payments will be calculated. UNCP may add to or modify KPIs, benchmark measurements and weightings on a semester basis as mutually agreed.
      2. Within 30 calendar days of the close of each Performance Period, the Contract Administrator will use the performance scorecard to measure Supplier’s performance. The strategy for the evaluation is as follows:
         1. The Contract Administrator will score Supplier performance.
         2. Separately, Supplier will self-score its own performance.
         3. As part of a Performance Period business review, the Contract Administrator and Supplier will meet to review operational and financial results, discuss preliminary scores and engage on areas of desired improvement.
         4. Based on the above, the Contract Administrator will finalize the scoring for the Performance Period.
   3. Should a KPI score fall below the agreed minimum threshold, Supplier shall make a risk payment to UNCP. Agreed risk payments are documented in the Financial Arrangement section below.
3. FINANCIAL TERMS
   1. Financial Model
      1. The Financial Model for each Service Line shall be as follows:

|  |  |
| --- | --- |
| **Service Line** | **Financial Model** |
| Residential Dining | Profit & Loss |
| Retail Dining | Profit & Loss |
| Campus-wide Catering Services | Profit & Loss |
| Summer Conference Dining | Profit & Loss |
| Concessions Services | Profit & Loss |
| Alcohol Service | Profit & Loss |

Financial Models may be modified by mutual agreement of the Parties in writing.

* 1. At commencement of the SOW term, UNCP will provide its existing food and beverage inventory for Supplier’s use in the Program. Supplier will make all reasonable efforts to utilize UNCP’s usable inventory. For purposes of this provision, “usable” is defined as inventory items that 1) are aligned with Supplier menus and product categories, 2) can be safely used, 3) are not quality degraded, and 4) have a useful remaining shelf life relative to sell by dates.
  2. Start-up Costs
     1. Supplier shall fund $\_\_\_\_\_\_\_\_\_\_\_ of pre-opening expenses on behalf of the Program (“Start-up Costs”). Start-up Costs include, but are not limited to travel, meals, lodging, opening promotions and advertising, accounting, operating manuals and systems, hiring, relocation, salaries and fringe benefits, crew training, and other expenses related to preparing for and commencing services. The Start-up Cost budget is outlined below. To be documented based on the successful Supplier’s proposal.

|  |  |
| --- | --- |
| **Start-up Costs** | **Budgeted Cost** |
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|  |  |
| **Total Start-up Costs:** |  |

* + 1. Start-up Costs will be an Allowable Operating Expense.
    2. Supplier will amortize the Start-up Costs, not to exceed $\_\_\_\_\_\_\_\_\_\_\_, on a straight-line basis at zero percent (0%) interest, according to the **SOW Attachment 4 Investment and Amortization Record.** Supplier and UNCP agree that at the conclusion of the initial SOW term, the unamortized value of Start-up Costs shall be zero except as otherwise authorized by UNCP in writing. To be inserted here according to the terms of the successful Supplier's negotiated proposal
    3. UNCP is not liable for buyback of Supplier’s unamortized Start-Up Costs.
  1. Unrestricted Funds: To be inserted here according to the terms of the successful Supplier's negotiated proposal
     1. Supplier shall pay UNCP a Sign-on Bonus/Grant of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ ($\_\_\_\_\_\_\_) no later than \_\_\_\_\_\_\_\_\_\_\_\_\_\_, XX, 2025. The Sign-on Bonus/Grant will be one lump sum payment to UNCP.
     2. The Sign-On Bonus/Grant will be an Allowable Operating Expense.
     3. Supplier will amortize the Sign-on Bonus/Grant on a straight-line basis at zero percent (0%) interest according to the **SOW Attachment 4 Investment and Amortization Record**. Supplier and UNCP agree that at the conclusion of the initial SOW term, the unamortized value of the Sign-on Bonus/Grant shall be zero except as otherwise authorized by UNCP in writing.
     4. If the SOW or Agreement expires, is terminated by UNCP for Convenience or by Supplier for Cause before completion of Sign-On Bonus/Grant amortization, UNCP agrees to pay Supplier \_\_\_% of its unamortized Sign-on Bonus/Grant, at zero percent (0%) interest, within 90 days of expiration or termination. If the SOW or Agreement is terminated by Supplier for Convenience or UNCP for Cause, UNCP shall not be liable for buyback of Supplier’s unamortized Sign-On Bonus/Grant.
  2. Program Investment: To be inserted here according to the terms of the successful Supplier's negotiated proposal
     1. Over the term of the SOW, Supplier shall provide $\_\_\_\_\_\_\_\_\_\_\_\_\_ for Dining Services Program facilities development, refresh, smallwares, and new technology (“Program Investment”). The anticipated schedule for Program Investment is set forth in **SOW Attachment 4 Supplier Investment and Amortization Record**,it being understood that the nature, timing and value of the individual Investments may be modified by mutual agreement of Supplier and UNCP.
     2. Supplier Investment will be an Allowable Operating Expense.
     3. Supplier will amortize Program Investments on a straight-line basis at zero percent (0%) interest according to the **SOW Attachment 4 Investment and Amortization Record**. Supplier and UNCP agree that at the conclusion of the initial SOW term, the unamortized value of the Program Investments shall be zero except as otherwise authorized by UNCP in writing.
     4. UNCP shall hold title to all Program Investments beginning at the time of Investment expenditure. If the SOW or the Agreement expires or is terminated for any reason prior to the full amortization of the Program Investments, UNCP is liable for and agrees to pay Supplier the unamortized portion, at zero percent (0%) interest, within 90 days of such expiration or termination date.
     5. In the event UNCP requires that Supplier remove a previously agreed branded concept, UNCP shall be responsible for the costs and expenses of such removal and/or replacement.
  3. Amortization Record
     1. An amortization record of Supplier’s Start-up Costs, the Sign-on/Grant Bonus and Program Investments shall be maintained in **SOW Attachment 4 Investment and Amortization Record**, which is to be updated as expenditures are made and/or amortization terms modified and must include:
        1. Expenditure type and purpose
        2. Expenditure date
        3. Amortization schedule
  4. Supplier-owned Assets
     1. The following assets will be procured at Supplier sole expense, with ownership to be retained by the Supplier and not subject to UNCP buyback.
        1. Vehicles (owned or capitalized lease)
        2. Capitalized franchise and/or license acquisition and refresh costs for Supplier’s corporate, regional, and/or national branded concepts.
        3. Office furniture, equipment, computers and software required for Supplier’s internal administrative and business operations where not otherwise provided by UNCP for Supplier use.

A list of Supplier-owned Assets shall be maintained in **SOW Attachment 4 Investment and Amortization Record**. The Supplier-owned Asset list shall be kept current always.

* 1. Annual Cash Donations: To be inserted here according to the terms of the successful Supplier's negotiated proposal
     1. Supplier agrees to make Cash Donations on an annual basis and throughout the term of the SOW as identified below.

|  |  |
| --- | --- |
| **Description** | **Value** |
| UNCP Fund | $XXXXX / year |
| Athletic Fund | $XXXXX / year |
|  | $XXXXX / year |
|  | $XXXXX / year |
|  | $XXXXX / year |

* + 1. Donations will be an Allowable Operating Expense.
    2. Donations will be expensed in the Fiscal Year they are funded.
    3. Scholarship donations shall be made on or before \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ each year.
    4. Donations will cease upon either Parties’ notice of termination of the SOW or the Agreement.
  1. In-Kind Contributions: to be inserted here according to the terms of the successful Supplier's negotiated proposal
     1. Supplier agrees to make In-kind Contributions on an annual basis and throughout the term of the SOW as identified below. In-kind Contributions will cease upon either Parties’ notice of termination of the Agreement.

|  |  |
| --- | --- |
| **Description** | **Value** |
| Chancellor’s Fund | $XXXXX / year |
| Student Affairs Fund | $XXXXX / year |
| Finance and Admin Fund | $XXXXX / year |
| Advancement Fund | $XXXXX / year |
| Academic Affairs Fund | $XXXXX / year |

* + 1. In-kind Contributions will be an Allowable Operating Expense.
    2. In-kind Contributions will be expensed in the Fiscal Year they are funded.
    3. In-kind Contributions will cease upon either Parties’ notice of termination of the SOW or the Agreement.
  1. Student Internships: to be inserted here according to the terms of the successful Supplier's negotiated proposal
     1. Supplier agrees to propose Student Internships on an annual basis and throughout the term of the SOW as identified below.

|  |  |
| --- | --- |
| **Description & Internship Partner** | **Value** |
|  | $XXXXX / year |
|  | $XXXXX / year |

* + 1. The above Internship Partners may be modified by mutual agreement of the Parties.
    2. Student Internships will be an Allowable Operating Expense
    3. Student Internships will be expensed in the Fiscal Year they are funded.
    4. Funding of new Student Internships will cease upon either Parties’ notice of termination of the SOW or the Agreement.
  1. Innovation Fund: to be inserted here according to the terms of the successful Supplier's negotiated proposal
     1. Commencing \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, and continuing thereafter each Fiscal Year, Supplier shall contribute a monthly amount to an Innovation Fund for ongoing innovation within the Dining Services Program (the “Fund”). Monthly Fund contributions shall be in the amount of \_\_\_\_\_% of Net Sales with the Fund balance to be held by Supplier. All expenditures from the Innovation Fund shall be mutually agreed by the Parties.
     2. The unused Fund balance will roll over from month to month. Supplier will perform an annual reconciliation of the Fund balance within thirty (30) days of the end of each Fiscal Year and any accrued and unused Fund balances shall be carried forward to be used in any subsequent year during the SOW term.
     3. The Parties agree that there will be three check points throughout the SOW term (in Years \_\_\_, \_\_\_, and \_\_\_) to ensure the Fund is being utilized and spent on Dining Services Program innovation. Upon mutual agreement of the Parties, unused Fund balances and contributions may be reallocated to other Dining Services Program needs.
     4. Unless otherwise mutually agreed by the Parties, UNCP shall hold title to Fund-purchased improvements. In the event of expiration or termination of the SOW or the Agreement, within thirty (30) days of said expiration or termination, Supplier shall pay UNCP the accrued and unspent Fund balance, if any.
  2. Purchase Discounts:
     1. Supplier acknowledges that it negotiates and receives certain discounts, allowances, bonuses and rebates (“Purchase Discounts”) for items purchased on behalf of UNCP’s Program, through negotiated purchasing agreements with group purchasing organizations which may or may not be an affiliated company under common ownership with Supplier (“Affiliate Company”), as well as a large number of national and regional vendors. Whenever Supplier purchases from or through an Affiliate Company, the cost will, on average, be comparable to pricing that can be obtained in the 3rd party marketplace for comparable products.
     2. Supplier shall provide a credit to UNCP’s Client Statement approximately equal to the aggregated Purchase Discounts it receives for food, beverages and supplies purchased on behalf of UNCP. The applied Purchase Discount will be \_\_\_\_% of food, beverage and supplies expenditures.
     3. Purchase Discounts returned to UNCP will be reflected as a separate line item credit on UNCP’s Client Statement and, where applicable, on Supplier’s invoices to UNCP.
  3. Meal Plans
     1. Meal plan types, pricing and associated Dining Dollars, Meal Equivalency and/or Meal Exchange allowances shall be as documented in **SOW Attachment 2 Operating Plan**.
     2. Resident Dining Board Days shall be as outlined in **SOW Attachment 2 Operating Plan**.
     3. Supplier shall charge UNCP for Resident Dining meal service according to a Daily Rate per participant for UNCP Mandatory Meal Plans, UNCP Voluntary Meal Plans and UNCP Resident Assistant Plans. The charge shall be calculated based on the actual average number of meal plan holders by meal plan type during an Accounting Period, as provided by UNCP. The Meal Plan Daily Rates for FY 25-26 shall be as follows, unless the financial arrangement for this Fiscal Year is the Cost Plus Management Fee Financial Arrangement. Meal Plan Daily Rates for subsequent years shall be as documented in **SOW** **Attachment 2 Operating Plan**.

Daily rate sliding scale to be inserted here as per the successful Supplier’s negotiated proposal.

\* The financial model and/or daily rate for >\_\_\_\_\_\_ Patrons or <\_\_\_\_\_ Patrons shall be as mutually agreed by the Parties.

* + 1. Supplier’s Daily Rates for Resident Assistant Meal Plans shall be set at \_\_\_\_% of the Daily Rate for the equivalent UNCP Mandatory or Voluntary Meal Plan.
    2. Supplier will invoice UNCP for reimbursement of Flex Dollars on a monthly basis based on redemption.
    3. UNCP shall retain all unused Flex Dollars from University Mandatory, Voluntary and Resident Assistant Meal Plans and Supplier’s Voluntary Meal Plans.
  1. Tender Acceptance
     1. Supplier shall accept the following forms of payment tender in operating the Program:
        1. Cash
        2. Credit Card
        3. Debit Card
        4. Flex $ associated with all University Meal Plans and Supplier Voluntary Meal Plans
        5. Braves Card (Supplier shall honor all terms of use, including purchase discounts, if any)
        6. UNCP PCard
        7. UNCP purchase order (external catering/approval needed)
        8. UNCP Direct Pay
        9. Others where mutually agreed by UNCP and Supplier.
  2. Commissions: To be inserted here according to the terms of the successful Supplier's negotiated proposal
     1. Supplier shall pay UNCP annual Sales Commission payments as follows (a percentage commission), based on incremental Net Sales, in which increased commission rates apply to incremental Net Sales in excess of the thresholds reflected in the table below:

|  |  |
| --- | --- |
| **Sales Type** | **Commission Rate** |
| Supplier’s Voluntary Meal Plans (all you care to eat component) |  |
| Self-Performed Retail Dining |  |
| Subcontracted Retail Dining |  |
| Summer Conference Dining |  |
| Concessions Services |  |
| Catering Services |  |
| Alcohol Service |  |

* + 1. “Net Sales” shall mean all payments and forms of tender received for sales or services rendered at or from the Program and Premises, excluding: (1) receipts from sales of meals to employees of Supplier; (2) any gratuities and/or service charges made, collected and turned over to employees; (3) the proceeds of the sale of any fixtures or equipment; (4) proceeds from the sale or liquidation of any inventory which is not sold at retail; and (5) sales, gross receipts and other taxes collected by Supplier or any other vendor as required by governmental authorities. Net Sales of Subcontractors include only the portion of subcontracted Net Sales retained by Supplier and shall not include the portion of subcontracted Gross Sales paid to or retained by the Subcontractor.
    2. Supplier guarantees the following annual minimum commission payments to UNCP (“Guaranteed Commission”). To be inserted here according to the terms of the successful Supplier's negotiated proposal

|  |  |
| --- | --- |
| **Fiscal Year** | **Minimum Commission** |
| 2026 |  |
| 2027 |  |
| 2028 |  |
| 2029 |  |
| 2030 |  |
| 2031 |  |
| 2032 |  |
| 2033 |  |
| 2034 |  |
| 2035 |  |

Guaranteed Commission is based on all of the commission types and rates described subparagraph (i).

* + 1. Commission payments to UNCP shall be due within 15 business days of the close of the Accounting Period, based on the percentage of Net Sales described in subparagraph (i). Supplier will provide a reconciliation of commissions within forty-five (45) days of the end of the Fiscal Year and if the percentage commission is less that the Guaranteed Commission with respect to the Fiscal Year, Supplier will remit the difference between the Guaranteed Commission and the percentage commission. If the Agreement expires or is terminated, the Guaranteed Commission due to UNCP shall be prorated through the date of expiration or termination based on the monthly allocation schedule below, except: (a) to the extent the disbursed Guaranteed Commission is less than the Guaranteed Commission allocated in the schedule below, Supplier shall pay UNCP an amount equal to the difference; (b) to the extent the disbursed Guaranteed Commission is greater than the Guaranteed Commission allocated in the schedule below, UNCP shall reimburse Supplier the excess.
  1. Facilities Related Costs
     1. Waste Removal Services (emptying of dumpsters)
        1. Supplier shall reimburse UNCP for waste removal based on the actual cost for two (2) 6-yard waste bins and one (1) 6-yard recycle bin at James B. Chavis Student Center.
     2. Building and Infrastructure Maintenance and Repair
        1. UNCP will pay the cost of maintenance and repair of Program Premises and infrastructure (plumbing, electrical, HVAC, lighting, finishes, vents to outside, gas line etc.) except where repair is required resulting from acts, omissions or negligence of Supplier or its employees, in which case Supplier shall pay the repair cost.
  2. Equipment Fund
     1. Supplier agrees to pay the following annual contributions to UNCP’s Equipment Fund for UNCP owned Program equipment (“Equipment Fund”). Equipment replacement costs for UNCP owned equipment exceeding the provided Equipment Fund will be the responsibility of UNCP except where such replacement is required resulting from acts, omissions or negligence of Supplier or its employees, in which case Supplier shall pay the repair or replacement cost in addition to its Equipment Fund.

|  |  |
| --- | --- |
| **Fiscal Year** | **Equipment Fund** |
| 2026 |  |
| 2027 |  |
| 2028 |  |
| 2029 |  |
| 2030 |  |
| 2031 |  |
| 2032 |  |
| 2033 |  |
| 2034 |  |
| 2035 |  |

* + 1. Payment shall be made monthly in installments of 1/12th of the annualized amount, payable on the 20th day of each month.
    2. Unused funds will roll over from year to year. Upon SOW expiration or termination, unused funds will be retained by UNCP.
    3. Equipment Fund invoices submitted by Supplier to UNCP for reimbursement from the Equipment Fund shall be at invoice cost without markup and upon presentation of the original vendor invoice.
  1. Working Capital
     1. Supplier shall provide the necessary working capital for the successful operation of the SOW.
  2. Risk Payments: To be inserted here according to the terms of the successful Supplier's negotiated proposal
     1. Pursuant to the Performance Management provisions in this SOW, Supplier and UNCP shall establish Key Performance Indicators (KPI) expectations and measurements to be documented in a performance scorecard and included in **SOW Attachment 2 Operating Plan.** The Year 1 KPIs and scorecard shall be established within sixty (60) days of SOW commencement.
     2. Supplier may be required to pay UNCP a risk payment based on the outcomes of performance scorecards up to the following: To be inserted here according to the terms of the successful Supplier's negotiated proposal
     3. Risk payments shall be paid or applied as a credit to Supplier’s invoice in the month following receipt of the final scorecard.
     4. UNCP has the right to waive risk payments at their sole discretion.
  3. Pricing Adjustments
     1. All pricing, including Meal Plan Daily Rates, shall be established and documented annually for the coming Fiscal Year, in **SOW Attachment 2 Operations Plan**. Supplier’s requests for pricing increases must be predicated on increases to the cost of doing business and shall require substantiation in the form of labor projections, wage levels and other labor costs including but not limited to benefits and insurance costs, food costs based on Supplier’s on-invoice price, related operating costs and changing program needs. Acceptance of price increases shall be at the sole option of UNCP. Supplier shall not alter prices once approved by UNCP without obtaining further approval from UNCP and must be able to justify that proposed price increases are the result of legitimately escalating costs of doing business.
     2. In no case shall Supplier apply for a year over year percentage price increase that exceeds the increase in the U.S. Bureau of Labor Statistics Consumer Price Index ("CPI") Food Away from Home Southeast Region, Unadjusted, for the twelve month period ending March 31st of the   
        Fiscal Year preceding the implementation of the price increase.
     3. Notwithstanding the provisions of paragraph (i) of this section, in the event UNCP does not approve Supplier’s requested price increase, UNCP and Supplier will work together to identify and quantify operational changes to offset the differential; for example, changes to service hours, modifications to service offerings or consolidation of service locations. If such operational changes are not agreed to or are inadequate to offset the differential, UNCP and Supplier will agree on financial changes to offset any remaining difference.
     4. Notwithstanding anything to the contrary, the Parties acknowledge and agree that in the event pricing for national brands increases, UNCP will approve a price increase in accordance with the national brands price increase schedule, it being understood that such price adjustment may occur during the academic year.
  4. Reporting
     1. Supplier shall provide UNCP with monthly and year to date profit and loss statements and operating statistics by service location and in aggregate. Monthly reports shall be submitted no later than the 15th business day following the close of each month. The format for sales and expense reporting on profit and loss statements will be mutually agreed and as required by UNCP.
  5. Invoicing
     1. No later than fifteen (15) calendar days after the end of each accounting period, Supplier shall submit to UNCP an invoice for amounts due or owed for the previous Accounting Period. Payment will be due within thirty (30) days of receipt of an accurate invoice. All payments to Supplier will be made by check or electronic funds transfer.
     2. Supplier payment of UNCP invoices shall be due within thirty (30) days of receipt of an accurate invoice.
  6. Banking and Tax Remittance
     1. Supplier shall operate on its own credit, deposit all cash and cash equivalent receipts in its own bank account, and collect and remit all sales taxes to governmental authorities.
  7. Allowable Operating Expenses
     1. Supplier agrees that only actual costs, charges and expenses directly incurred in connection with the Dining Services Program will be considered Allowable Operating Expenses in the performance of Supplier’s work. All Allowable Operating Expenses will be charged at actual invoice cost, without mark up, except for agreed allocations and allocation rates documented in this SOW.
     2. The following matrix identifies Supplier and UNCP responsibilities for Allowable Operating Expenses for each service component, delineated as follows:
        + 1. Residential Dining
          2. Retail Dining
          3. Catering Services
          4. Summer Conference Services
          5. Concession Services
          6. Alcohol Service
          7. All of the Above/Program-wide
     3. For clarity:

1. S = Supplier Paid: The Supplier is responsible for purchase and payment of vendor invoices.
2. U = UNCP Paid: UNCP is responsible for purchase and payment of vendor invoices.
3. UP-SR = University Purchased/Supplier Reimbursed: Supplier will reimburse UNCP for the purchase according to the agreed to financial terms and upon receipt of an accurate invoice.
4. SP-UR = Supplier Purchased/University Reimbursed: UNCP will reimburse Supplier for the purchase according to the agreed to financial terms and upon receipt of an accurate invoice.
   * 1. Unless otherwise agreed by UNCP in writing, Allowable Operating Expenses are limited to the Supplier Operating Expenses outlined in the table below.

To be inserted here according to the terms of the successful Supplier's negotiated proposal

Insert Financial Responsibility table here.

* 1. Allocated Costs
     1. Except as otherwise agreed by UNCP in writing, Supplier shall use the following percentage allocations in its calculation of Allowable Operating Expenses that are assessed as an allocation. To be documented based on the successful Supplier’s negotiated proposal.

|  |  |
| --- | --- |
| **Description** | **Allocation (%)** |
| Taxes and Benefits (Productive, PTO, Sick, Vacation for benefited employees) | \_\_\_% of all wages |
| Liability Insurance | \_\_\_% of sales |
| Marketing, Sales and Promotions Assessment | \_\_\_% of sales |
| Training Assessment | \_\_\_% of total labor cost |
| Insurance on Supplier Assets | \_\_\_% of asset net book value |

* + 1. These percentage allocations will be adjusted no less than annually. Upon UNCP request, Supplier will provide UNCP with data and information to support the change.
    2. Supplier is prohibited from adding to or embedding a procurement charge in the cost of products purchased.
    3. Except as otherwise agreed by UNCP in writing, all other Allowable Operating Expenses shall be charged at invoice cost.
  1. Supplier Overhead Expenses
     1. Unless otherwise specifically authorized by UNCP in writing, the following expenses shall be considered Supplier’s Overhead Expense. Overhead Expense shall not be reimbursed to Supplier and cannot be included in its calculation of Surplus or Loss on the financial statements or invoices it provides to UNCP.
        1. Wages, salaries, benefits, and bonuses of home office employees and general, administrative, executive and management officers
        2. Home office management costs such as general management overhead, transportation of management personnel, and any other indirect management costs
        3. Employee relocation expenses
        4. Expenses associated with payroll computation and disbursement of payroll, except as reflected in the T&B rate
        5. Corporate or regional office accounting expenses including costs of producing financial reports
        6. Amounts paid for repairs or replacement necessary as the result of the acts or omissions of the Supplier or its employees
        7. Money or other property that is lost or stolen, either on or off UNCP's Premises if such loss or theft is the result of Supplier negligence
        8. Inventory interest or carrying cost
        9. Legal expenses
        10. Self-insured retentions, and insurance deductibles for insurance policies specified herein
        11. All taxes except employer/payroll tax and sales tax directly associated with Supplier’s onsite services under this SOW
        12. General and Administrative Overhead charges
        13. Employer costs mandated by labor transfer and redundancy laws associated with the redeployment, redundancy and/or termination of employment agreements of its employees with exception of severance pay for onsite employees
        14. All other expenses not identified as an Allowable Operating Cost unless otherwise specifically agreed by UNCP.

1. ASSUMPTIONS
   1. For information and clarity, following are assumptions used by Supplier as a basis for its financial offer to UNCP.
      1. To be inserted here according to the terms of the successful Supplier's negotiated proposal
2. MATERIAL CHANGE ASSUMPTIONS AND DEFINITIONS
   1. The Parties agree that only the following assumptions shall be used when assessing whether a Material Change has occurred, as per the terms of the Agreement:
      1. To be inserted here according to the terms of the successful Supplier's negotiated proposal
   2. For purposes of assessing the need for Material Change, the Parties agree to the following definitions for terms referenced in the Material Change provision in the Agreement.
      1. To be inserted here according to the terms of the successful Supplier's negotiated proposal

**Attachment 1**

**Program Standards**

UNCP UNIVERSITY

Dining Services Program Standards

Attached as a separate document.

**Attachment 2 – Year 1 Operating Plan**

UNCP UNIVERSITY

Dining Services Operating Plan

Attached as a separate document and updated annually

For the first Fiscal Year of the SOW Term, the Operating Plan shall be completed and attached not later than forty-five (45) days after the beginning of the SOW term, including the Performance Scorecard. For subsequent years of the SOW term, an updated Operating Plan (including the Performance Scorecard) shall be completed as per the **SOW Attachment 1 Program Standards** and shall replace the previous year’s Operating Plan herein.

1. Services
   1. Service Locations
   2. Service Days
   3. Service Hours
2. Proposed Menus and Pricing
   1. Retail Dining
   2. Catering Services
   3. Summer Conferences
   4. Concessions
   5. Early Semester Meals
3. Meal Plans
   1. Meal Plans and Pricing
   2. Supplier Meal Plan Daily Rates
4. Key Program Innovation/New Initiatives
5. Capital Improvement and Smallwares Investments
6. Marketing Initiatives
7. Employee Engagement Initiatives
   1. Training
   2. Recruitment and Retention
   3. Student Hiring & Development Objectives
8. Sustainability Initiatives
9. Nutrition/Wellness Plan Initiatives
10. Pro forma Financial Projections (Annual Operating Budget)
11. Updated Inventories
    1. Food Service Equipment
    2. Smallwares
    3. Technology

12) Agreed Key Performance Indicators & Scorecard

**Attachment 3**

**Supplier 10-Year Forecast**

Attached for reference based on the successful Supplier’s negotiated proposal.

**Attachment 4**

**Supplier Investment & Amortization Record**

Program Investment and Amortization Schedule

To be inserted here according to the terms of the successful Supplier's negotiated proposal

Supplier-owned Asset List

To be inserted here according to the terms of the successful Supplier's negotiated proposal

**Attachment 5**

**Supplier Sanitation Responsibilities**

1. Supplier shall work collaboratively with UNCP’s Contract Administrator in performing its sanitation activities outlined in the table below.

Insert Sanitation Responsibilities table here

1. Supplier will develop and implement cleaning and sanitation schedules for its assigned responsibilities. 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. Schedules will be posted and implemented within 10 days of commencement of service.
2. Supplier will maintain all facilities and equipment associated with the Program to the levels necessary to successfully pass all governmental health and safety evaluations with a minimum score equal to an "A" or at or above the 90th percentile of the highest possible numeric score if such scoring system is applicable. It is understood that Supplier will not be held accountable for scoring reductions resulting from UNCP's failure to perform its responsibilities. A copy of the inspection report will be forwarded to the Contract Administrator within two business days following the inspection. If there are noted deficiencies within Supplier’s control, Supplier will include a written report that stipulates how the deficiencies will be corrected. All critical violations will be immediately reported to the Contract Administrator and corrected immediately by the responsible party.
3. Supplier will engage a professional health and safety auditor to conduct an annual 3rd Party health and safety audit of all facilities and equipment associated with the provision of the Program. Supplier will self-perform a Supplier Food Safety Audit in the quarters not covered by the 3rd Party audit. All health and safety audits will be conducted with no advance notice to the Onsite Management Team. A copy of all inspection reports will be forwarded to the Contract Administrator within two (2) business days of receipt. Supplier will take immediate action to correct all deficiencies noted in the report.
4. Supplier will be fully responsible for occupational health and safety measures necessary for Program Premises to comply with laws, ordinances and regulations pertaining thereto, which may be amended from time to time.