OHLINE COMMUNITY COLLEGE DISTRICT
MEMORANDUM

TO: Board of Trustees
FROM: Dr. Eric Bishop
DATE: October 13, 2021
SUBJECT: Resolution to Consider Proposals for Joint Occupancy Lease to Operate Food and Beverage Services

BACKGROUND

The District has been examining options for contracting food and beverage services for some time. In Fall 2019, the District released an RFP for Food Services Management to identify vendor(s) to operate one or more of the services needed. These services included management of the Fremont kitchen and dining facility, management of the satellite Newark food service location, and licensing and operation of a new coffee shop including participation in the construction process and contribution to the required capital improvements.

While the Fall 2019 RFP process attracted interest from a number of potential vendors, it did not result in submission of viable proposals. Vendors were asked why they chose not to submit proposals. The feedback centered on one main issue which was a maximum contract term of five (5) years Education Code for a service agreement per Ed Code. The vendors felt that there was considerable risk on their part to reopen the Fremont and Newark dining facilities, which will have been closed for nearly two years before the renovations at Fremont are complete. The significant drop in enrollment over the past several years makes future sales and growth uncertain. With the uncertainty of sales, capital investment and startup costs on a five (5) year term was not financially viable timeline for vendors.

With the five-year term confirmed as a problem for attracting potential vendors, the District sought legal advice on options that would allow for a longer-term contract. Under Ed Code sections 81390 to 81402, the District is authorized to enter into a joint occupancy lease agreement when facility improvements are involved. The term for a Joint Occupancy Lease Agreement is up to 10 years or more and can be used for food services management. Other community colleges have sought the lease agreement model for food service management for reasons similar to Ohlone College. The resolution allows for a competitive process to take place for one or several vendors. In all cases, the activities of the lessee(s) will be secondary to the academic programs of the colleges.

The previously approved resolution No. 24/19-20 dated March 11, 2020 resulted in ads and subsequent release of RFP but had to be cancelled in May 2020 due to COVID – 19 disruption.

RECOMMENDATION

The Superintendent/President recommends the Board of Trustees adopts Resolution No. 14/21-22 to consider proposals for a joint occupancy lease to operate food and beverage services.