

Board of Trustees Agenda Item

Board Meeting Date: August 8, 2011

Title of Item: Food Services Contracts Pursuant to RFP's 1367, 1369, and 1371 - De Anza College

Background and Analysis:

The District's Board of Trustees awarded the existing contracts for De Anza College food services in October 2007. The existing contracts expire at the end of July 2011. Therefore, District Purchasing Services and De Anza College staff worked together to write Request for Proposals #1367, Mexican Cuisine; RFP 1369, Asian Cuisine; and RFP 1371, Convenience Store. The RFP's contain information about existing facilities and operations, contractor responsibilities, and the proposal evaluation process. The RFP documents, including the contracts, were reviewed and approved by legal counsel, John Shupe.

The selected Contractors will be responsible for providing all labor, management, supplies, materials, and equipment, beyond that included in the De Anza College Campus Center, that is necessary to provide the specified food services at the Campus Center.

Purchasing Services posted all of the RFP's on BidNet. It also advertised the RFP's in the San Jose Post Record on the following dates: RFP 1371 on May 24 and May 31, 2011; RFP 1367 on June 3 and June 10, 2011; and RFP 1369 on June 8 and June 15, 2011. Purchasing Services also sent the RFP to the three current contractors and seven additional companies.

Proposals for RFP 1371, Convenience Store Services, were due on June 21, 2011. Only the existing contractor, Mediterranean Cafe, submitted a proposal. De Anza College has been satisfied with the services from Mediterranean Café. The Campus Center Director, Patrick Gannon, believes that the economic downturn is the main reason that the District received only one proposal for these services.

Proposals for RFP 1367, Mexican Cuisine, were due on July 1, 2011. Only the existing contractor, MTM Enterprise LLC (dba Una Mas Mexican Grill), submitted a proposal. However, the proposal was not responsive because the RFP required a 20% commission rate, and the proposal offered only a 15% commission rate.

Proposals for RFP 1369, Asian Cuisine, were due on July 6, 2011. Only the existing contractor, Hong Fu Gourmet Chinese Restaurant, Inc., submitted a proposal. However, the proposal was not responsive because the RFP required a 20% commission rate, and the proposal offered only a 15% commission rate.

De Anza College and Purchasing Services recommend that the District award a three-year contract to the Mediterranean Café pursuant to RFP 1371 for Convenience Store services. The contract will renew for two additional one-year periods unless terminated by either party at least 90 days before the expiration of the initial three-year term. The contract provides that the Mediterranean Cafe will make commission payments to the District equal to 20% of net sales; net sales is equal to gross sales minus sales tax. Based upon the commission received in calendar year

2010, the estimated commission revenue is \$44,419.00 per year.

Regarding RFP's 1367 and 1369, De Anza College and Purchasing Services recommend that the District rejects the non-responsive proposals from MTM Enterprise LLC and Hong Fu Gourmet Chinese Restaurant, Inc., and authorizes Letha Jeanpierre, De Anza College Vice President of Finance and Educational Resources, to sign amendments extending the existing contracts for Mexican and Asian Cuisine through December 16, 2011. During the contract extension period, De Anza College and Purchasing Services will re-advertise the RFP's and call for new proposals. The new RFP's will call for a lower commission rate of 15%. A higher commission rate of 20% that was published in the original RFP's and it may have discouraged companies from submitting proposals.

Recommendation: (1) Authorize the Director of Purchasing Services, Carmen Redmond, to execute a contract with the Mediterranean Café pursuant to RFP 1371 for Convenience Store services. (2) Reject the proposals for RFP's 1367 and 1369 and authorize Letha Jeanpierre, De Anza College Vice President of Finance and Educational Resources, to sign amendments extending the existing contracts for Mexican and Asian Cuisine through December 16, 2011.

Submitted by:	Carmen Redmond, ext 6166
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Is backup provided?	No