

**BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM**

FINANCE COMMITTEE

February 22, 2024

- Item I.1.** **Nicholls State University’s** request for approval to enter into a lease agreement with Sodexo Operations, LLC for the operation of Food Service Facilities on the campus of Nicholls State University.

EXECUTIVE SUMMARY

On September 21, 2023 Nicholls State University released a Request for Proposals (RFP) to lease facilities for food service operations pursuant to R.S. 17:3361. The proposal deadline was November 9, 2023. The RFP solicitation was advertised in the official state journal, the local newspaper, and the LaPAC website of State Purchasing. A committee was established to review the proposals submitted in response to the RFP. Sodexo Operations LLC was the only respondent. Sodexo’s response to the RFP met the minimum requirements set forth by Nicholls.

The Lease term is for ten years and may be renewed for two additional five-year increments if mutually agreed upon in writing by both parties. The leased space occupies approximately 29,700 square feet of space within the Donald G. Bollinger Memorial Student Union.

FINANCIAL TERMS:

For Nicholls State University providing leased space to Sodexo, Sodexo will provide Nicholls with the following financial consideration:

- Sodexo shall make a \$750,000 unrestricted grant to Nicholls for Nicholls’ use in furtherance of its general educational mission payable within thirty (30) days after execution of the Agreement.
- Sodexo will guarantee an annual lease payment to Nicholls as follows:

Up to 1,100 meal plans sold:	\$300,000
1,101 to 1,200 meal plans sold:	\$350,000
1,201 to 1,300 meal plans sold:	\$400,000
Greater than 1,301 meal plans sold:	\$450,000
- For the initial term of the agreement, Sodexo shall pay Nicholls a 15% commission payment of the total gross sales price of all meal tickets, and a 15% commission payment on all gross receipts from all cash sales including fast food operations, except for National Brands. Sodexo will provide a commission rate of 10% of the total cash, declining balance, or meal exchange gross receipts from all sales for National Brand operations.

- Sodexo shall provide \$3,500,000 for food service facility renovations and for the purchase and installation of food service equipment, area treatment, signage and marketing materials and other costs associated with the Campus Food Service Program on Nicholls' Premises.
- Sodexo shall provide Nicholls with a facility refresh fund in the \$250,000 per year for the term of the agreement, which shall be maintained by Sodexo and accrued on an annual basis.
- Sodexo shall provide a Furniture, Fixtures, and Equipment Fund in the amount of \$200,000 per year.
- Sodexo shall reimburse Nicholls for utilities and for garbage removal costs for the Cafeteria food service operations.
- Sodexo shall provide a minimum of \$35,000 of in-kind catering services as requested by the President and to be increased by \$500 each year.
- Sodexo will provide pre-season (August) meals for football and other sports (athletes, coaches, and training staff) and provide 1,250 meal passes to the Athletic Director who will distribute the meal passes to the coaching staff.
- Sodexo commits to providing food and beverages for the annual University Fall and Spring Convocation.
- Sodexo will provide Nicholls with a \$50,000 Growth Fund payment for gross receipts greater than \$8 million and an additional \$50,000 for each additional \$2 million of gross receipts. Sodexo will also provide an additional \$30,000 for FF&E maintenance and repair costs.

RECOMMENDATION

It is recommended that the following resolution be adopted:

NOW, THEREFORE, BE IT RESOLVED, that the Board of Supervisors for the University of Louisiana System hereby approves Nicholls State University's request to enter into a ten- (10) year lease agreement with Sodexo Operations, LLC for the operation of Food Service Facilities on the campus of Nicholls State University.

BE IT FURTHER RESOLVED, that Nicholls State University shall obtain final review and approval from UL System Staff, legal counsel, and shall secure all other appropriate approvals from agencies/parties of processes, documents, and administrative requirements prior to the execution of documents.

***BE IT FURTHER RESOLVED**, that Dr. John J. Clune, Jr., President of Nicholls State University, is hereby designated and authorized to execute any and all documents necessary to execute this agreement.*

***AND FURTHER**, that Nicholls State University will provide the UL System Office with copies of all final executed documents for UL System and Board Files.*



Nicholls State University

Office of the President

P.O. Box 2001 | Thibodaux, LA 70310 | 985.448.4003 | 985.448.4920 [F]

I.1.

January 31, 2024

Via Electronic Transmittal Only

President Rick Gallot
University of Louisiana System
1201 North Third Street, Suite 7-300
Baton Rouge, LA 70802

Dear President Gallot:

Nicholls State University requests consideration and approval of the following to be placed on the agenda for the February 22, 2024 meeting of the Board of Supervisors for the University of Louisiana System:

Enter into Lease Agreement with Sodexo Operations, LLC.

Thank you for your assistance in this matter.

Sincerely,

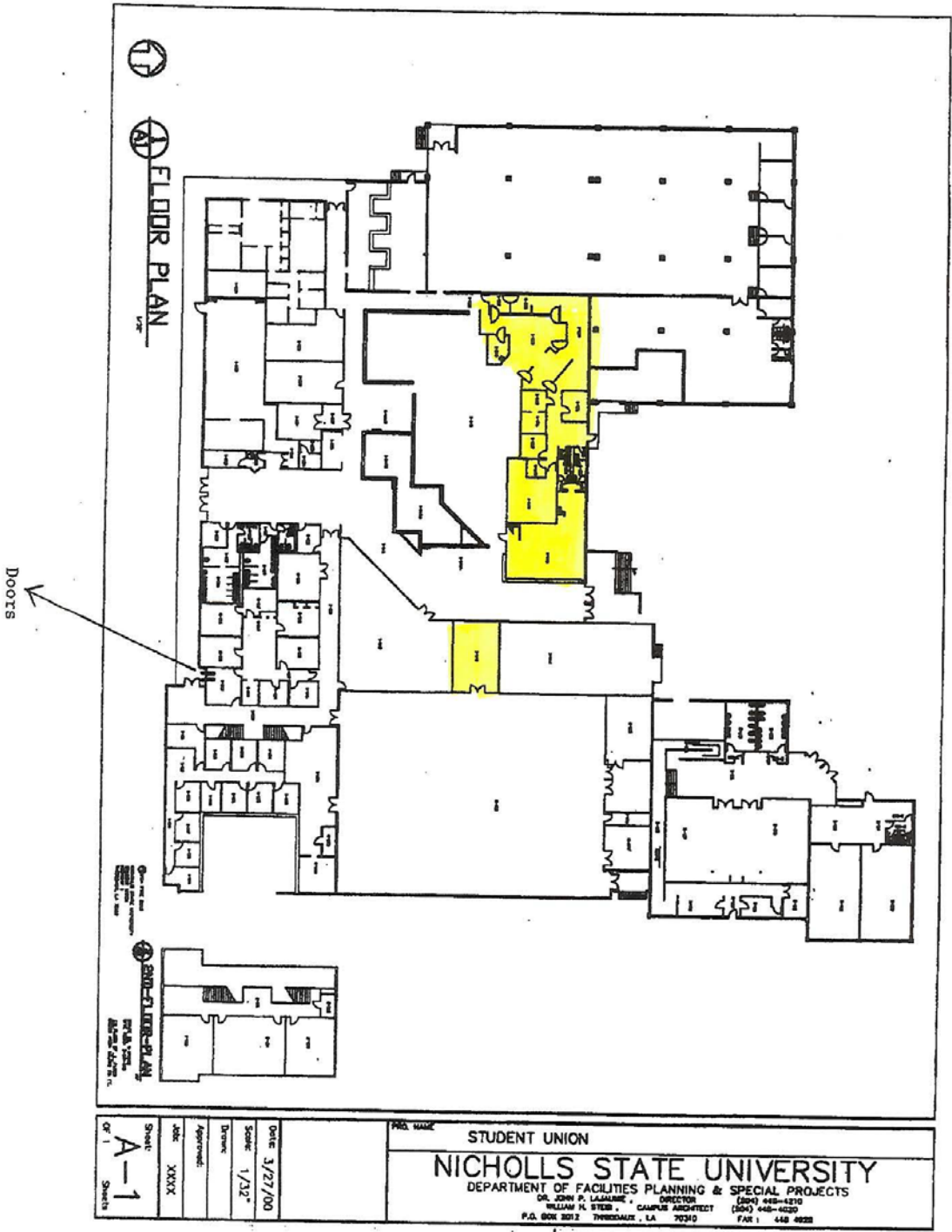
Jay Clune, PhD
President

JC/apf

Enclosures

- c: Dr. Sue Westbrook, Provost/Vice President for Academic Affairs
- Mr. Terry Braud, Vice President for Finance & Administration
- Mr. Jonathan Terrell, Vice President for Collegiate Athletics/Athletic Director
- Dr. Michele Caruso, Vice President for Student Affairs
- Dr. Todd Keller, Vice Provost
- Ms. Renee Hicks, Assistant Vice President of Institutional Effectiveness Access & Success
- Ms. Alison Hadaway, Director of Human Resources
- Mr. Jerad David, Director of Communications
- Ms. Paige Thomas, Director of Alumni Affairs
- Ms. Paulette Mayon, Controller & Ethics Liaison
- Ms. Claire Bourgeois, Faculty Senate President

Nicholls Food Service lease
Executive Summary



Student Union square footage is 54,461 sq.ft. Highlighted area is leased to Sodexo and square footage is undetermined.

**BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM**

FINANCE COMMITTEE

February 22, 2024

Item I.4. **University of Louisiana System’s** request for approval of payments made by nonprofit organizations to employees of the University of Louisiana System during Fiscal Year 2023 in accordance with provision of Louisiana Revised Statute (R.S.) 17:3390(F).

EXECUTIVE SUMMARY

R.S. 17:3390(F) provides that any request for payments of over one thousand dollars for any single transaction to, or on behalf of, or to reimburse the expense of a public employee of a public higher education institution or a public employee or officer of a management board of a public higher education institution by a nonprofit organization shall be approved in writing by the appropriate public higher education management board in accordance with written policies and procedures.

In accordance with PPM FB-IV.-6, we are requesting that Board of Supervisors for the University of Louisiana System approve the schedule of payments made by nonprofit organizations to university employees during the Fiscal Year Ended June 30, 2023. Individual campuses submit quarterly reports of payments that exceed one thousand dollars made by nonprofit organizations to university employees, which have been compiled into the attached schedule.

RECOMMENDATION

It is recommended that the following resolution be adopted:

***NOW, THEREFORE, BE IT RESOLVED,** that the Board of Supervisors for the University of Louisiana System hereby approves the University of Louisiana System’s request for approval of payments made by nonprofit organizations to employees of the University of Louisiana System during Fiscal Year 2023 in accordance with provisions of Louisiana Revised Statute (R.S.) 17:3390(F).*

**BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM**

FINANCE COMMITTEE

February 22, 2024

Item I.5. **University of Louisiana System's** financial status of alternatively financed projects for the six months ended December 31, 2023.

EXECUTIVE SUMMARY

Presented is a summary of financial activities of the UL System's alternatively financed capital projects for the six months ended December 31, 2023. This information was obtained from standardized financial reports and certifications submitted by each university.

This is a report only and no action by the Board is necessary.

**BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM**

FINANCE COMMITTEE

February 22, 2024

Item I.6. **University of Louisiana System's** discussion of Fiscal Year 2023-24 second quarter financial reports and ongoing assurances.

EXECUTIVE SUMMARY

Presented is a summary of the financial activities for the quarter ended December 31, 2023. This information was obtained from second quarter financial reports submitted to the System by each university.

This is a report only and no action by the Board is necessary.