

STATE BOARD FOR COMMUNITY COLLEGES AND OCCUPATIONAL EDUCATION

December 8, 2021

TOPIC: **Approval of Spending Authority For Café Renovations at Front Range Community College's Larimer County and Westminster Campus Cafés**

PRESENTED BY: **Andrew R. Dorsey, President**

RELATIONSHIP TO THE STRATEGIC PLAN: Goal 4: Refine our value proposition through accessibility, affordability, quality, accountability, resource development, and operational excellence.

EXPLANATION:

Front Range Community College seeks spending authority approval for \$1.2M to contract with DS Constructors to renovate the food service facilities at the Larimer County and Westminster campuses. The contract will cover the cost to convert the spaces to a convenience-store/grab-and-go model that will offer affordable, quality food selections to students in a quicker more convenient format. The remodels will not only make the spaces more inviting and functional but will also reduce the operational cost to run the cafes by eliminating most on-site food preparation.

The decision to renovate the food service spaces was a long-term process that included trying several models of food preparation and working with a food service design consultant, Ricca Design Studios, to identify options. As more students have moved to online learning and concurrent enrollment, the long-standing model of preparing fresh food on-site has become increasingly unprofitable.

The cafés have not been renovated in 23 years and much of the main kitchen equipment is near or at end of life. If we didn't move to a grab-and-go model the majority of the existing equipment would need to be replaced and the Westminster campus café would still need major renovations due to existing issues with gas piping and HVAC. By moving to a grab-and-go model the kitchens will be decommissioned, leaving areas for minimal food prep. The footprint of the café at the Westminster campus will be decreased and some square footage will be made available to the College for another purpose.

In September 2021, Front Range Community College released a request for proposal (#FRCC-22-04-WL) for a design-build team to program, design and construct the renovations for the café spaces. Following the proper procurement and bid procedures, DS Constructors won the bid. The project will be completed by December 31, 2022.

As of August 2021, college reserves were \$48.0M or 40.3% of operating expenses. With this project and other funded expenditures, projected ending reserve will be \$45.6M or 34.4% of operating expenses.

Unrestricted Net Asset Reserves	\$ Reserves	% Net Expense
FY21 Ending Balance	\$48,026,165	40.3%
Committed for other FRCC funded projects/expenses	-\$770,702	
BCC Facilities Improvements (Approved Sept. 2021)	-\$436,840	
LC WC Café Grab & Go Renovation	-\$1,200,000	
Projected FY22 Balance	\$45,618,623	34.4%

FRCC is also exploring the use of Higher Education Emergency Relief Funding (HEERF) to pay for a portion of this project as it will mitigate the spread of COVID-19 due to reduced food preparation on the part of café staff, reduced contact between café customers and staff, easier cleaning/sterilization of surfaces in the remodeled café space, and reduced food selection and transaction times on the part of café customers. If this funding source is confirmed, then the above represents the most conservative reserve analysis.

RECOMMENDATION:

Staff recommends the Board approve the spending authority of \$1.2M for the design build contract with DS Constructors and delegate the signature authority of the Board to the FRCC President on the condition that all State and Board required processes are met.