



Managing your Auxiliary Service Contracts

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Based on a mail survey of 1,618 colleges and universities that belong to the National Association of College Auxiliary Services...

**The Chronicle of Higher Education, January 28, 2005. Response rate was 20%, (325 institutions).*



Areas Currently Outsourced

87%	Food Service
81%	Bookstore
44%	Landscaping/grounds
36%	Housekeeping/maintenance
29%	Parking/security
12%	Housing
4%	Computer services

Primary factors in determining whether to outsource an operation:

90%	Cost Savings
85%	Revenue generation
79%	Service/quality
72%	Management expertise
66%	Personnel issues
56%	Institutional funding
17%	Political pressure

Primary concerns considered by institutions in determining whether to outsource

92%	Loss of institutional control
88%	Loss of potential revenue
86%	Employee morale
61%	Security/liability
44%	Slow reaction to problems
22%	Local management
10%	Competition

Will continue to use outsourcing and search for additional areas for outsourcing:

51%	Definitely yes
37%	Probably yes
8%	Unsure
4%	Probably not

Outsourcing does not relieve the college of the *responsibility* for successful operations.

Successful contract management
adds quality to the services of the
provider.

Monitoring Book Store Contracts

- Contract compliance = better college store operation
- Increased customer service
- Resolution of issues as they occur
- Regular meetings for open communication
- Expectations are shared and understood
- Improved RFPs by both parties

Maximizing Results in College Store Management and Outsourcing, 2005
Seventh Edition.

Customer Log

- Log all feedback – good and bad
- Maintain file with documentation
- Review and discuss as soon as possible after incident

Maximizing Results in College Store Management and Outsourcing, 2005 Seventh Edition.

Customer Surveys

- Completed not less than each term
- Gather input from students, faculty, staff, alumni and visitors

Maximizing Results in College Store Management and Outsourcing, 2005
Seventh Edition.

Price Comparisons

- Compare prices with competing college stores, and local market
- Include margin check with contract terms, both new and used books.

Maximizing Results in College Store Management and Outsourcing, 2005
Seventh Edition.

Payment History

- Report on sales monthly
- Audit against college store financial statements and rent payments to the institution

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Seventh Edition.*

Used Book Mix and Percentage

- Examine how many books are bought back from students vs. wholesalers
- Analyze what price is paid – students vs. wholesaler market

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Seventh Edition.*

Support from College Store

Recognize college store donations,
advertising and support to campus groups

Maximizing Results in College Store Management and Outsourcing, 2005
Seventh Edition.

Staff Longevity

- History of staff turnover
- Degree of job satisfaction
- Professional development

*Maximizing Results in College Store Management and Outsourcing, 2005
Seventh Edition.*

Maximizing Results in College Store Management and Outsourcing

From Self Operation to Outsourcing Success

2005 Seventh Edition, Collegiate & Management Resources.

Managing Food Service Contracts

- Imperative to understand the organizational structure
- Provide written standard operating procedures

Administering Food Service Contracts, 1999, National Association of College & University Food Services.

Program Assessment

- Ongoing assessments for quality of service
- Respect security and internal control systems
- Coordinate periodic audits
 - Financial audit
 - Operational audit
 - Food safety audit
 - Solid waste management audit
 - Personnel safety and security audit

Administering Food Service Contracts, 1999, National Association of College & University Food Services.

Financial Management & Analysis

- Review operating budgets
- Learn terminology for income and expense items in financial statements
- Specify required financial reports and due dates

Administering Food Service Contracts, 1999, National Association of College & University Food Services.

Contract Parameters

- Contract should specify:
 - Menu offerings
 - Levels of service
 - Quality standards
 - Prices
 - Promotional programs
 - Internal controls
 - Operational details

Administering Food Service Contracts, 1999, National Association of College & University Food Services.

Managing Human Resources

- Client reserves the right to approve key management personnel
- Food service employees are employed by the management company
 - Contractor responsible for employees

Administering Food Service Contracts, 1999, National Association of College & University Food Services.

Contract Changes

- Negotiate changes
- Major changes require high levels of involvement
- Include framework to renegotiate when market changes occur

Administering Food Service Contracts, 1999, National Association of College & University Food Services.

Administering Food Service Contracts

A Handbook for Contract Administrators in College and University Food Services

1999 Edition, The National Association of College & University Food Services.

Contract Management Resources Abound!

1. Professional Organizations by Type of Service
2. NACAS
3. CCBO



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