

UHCL Business Operations

Catering & Food Waiver Guidelines – FY25

Background: We have had a food waiver process in place for some time where a requester would have to complete a form, obtain an outside vendor quote, and get feedback from Chartwells if they intended to purchase food valued at greater than \$100 in Clear Lake, or \$500 in Pearland. This process required advance planning since the waiver should be completed before the event takes place requiring the food or catering. The purpose of the process was to manage our Chartwells contract wisely, minimizing subsidy payments. Further, we trained departments that any purchase of an intangible service required a contract, and should not be procured via P-Card since the P-Card offers no protection for the university or the vendor in the event of an unforeseen accident.

Issue: Food prices have increased nation-wide. Departments find the waiver process onerous for “small” purchases. If they do submit a waiver they often do so after the event, which is non-compliant. In addition, departments frequently neglect to contract for food service delivery, which creates needless risk for the university.

Recommendation: We think it appropriate to increase the limit on food waivers to \$250 for Clear Lake for non-Bayou Theatre events, and keep Pearland and TCH at \$500. Thus, a food purchase valued at \$250 or less could be obtained directly from an outside vendor, without the waiver process. This order could be paid via P-Card, which would allow for pizza deliveries, or donut shop orders, e.g. The new limit recognizes the time and labor required and seeks to streamline the process.

The Bayou theatre/Cultural Arts floor for requiring a waiver would be \$300.

Please note that the data below does not reflect the purchasing department so the net revenue loss may be much less than the \$1600 difference since these data show all departments, not theatre-specific ones.

FY24 YTD data and proposed floors:

Using \$250 Floor		
FOR GENERAL/NON-THEATER		
Number of waivers issued	Price of Each	Total cost
6	>\$1000	~\$10,500
10	\$500-999	~ \$6,500
15	\$250-499	~ \$5,100
20	>\$100-249	~ \$3,300

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Using \$300 Floor		
For BAYOU THEATER/CULTURAL ARTS		
Number of waivers issued	Price of Each	Total cost
6	>\$1000	~\$10,500
10	\$500-999	~\$6,500
9	\$300-499	~\$3,500
26	>\$100-299	~\$4,900

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This would be a revenue loss to Chartwells going forward, and is expected to increase in dollar value as departments exercise their new food purchasing freedom. We hope the lost revenue is met with increased efficiency since we must subsidize Chartwells losses under their contract. Thus, what seems easier on the surface regarding business processes is actually costly to the university's bottom line.

Based upon conferring with UH system legal, the contract aspect could be addressed by limiting the requirement to have an executed contract in place before service is provided to "ongoing relationships" or "big" orders with food service providers/caterers. Using those parameters, we recommend that a contract should be required if the food order delivery is **\$2500 or more**, and the department uses the same vendor **more than two times within the fiscal year**. If food is being catered/served on premise by the vendor then a contract is required for any dollar amount of the order.