

Prepared by Office of Procurement and Real Property Management.
This replaces Administrative Procedure No. A8.280 dated
January 2004

A8.280

A8.200 Procurement

January 2005

P 1 of 3

A8.280 Concessions

1. Definition

A concession is defined as the granting to a person the privilege to conduct operations which are essentially retail in nature, involving the sale of goods, wares, merchandise, or services to the general public on University-controlled or University-owned real property.

2. Purpose

To establish procedures for processing all requests relating to concessions on University premises which are related and incidental to the primary purposes of the University.

3. Procedures

- a. Requests relating to proposed concessions on University premises shall be referred by the appropriate University program or department to the Office of Procurement and Real Property Management (OPRPM) for review and disposition.
- b. The OPRPM shall review the request to determine the following:
 - 1) The appropriateness of the proposed concession as it relates to the primary purposes of the University;
 - 2) Whether the proposed concession conflicts with any existing University contracts; and

- 3) The most advantageous method of awarding or otherwise entering into a contract for the proposed concession.
 - c. The OPRPM will prepare the draft documentation and coordinate with the appropriate University administrators for written comments or recommendations.
 - d. Upon final preparation, the documentation will be submitted by the OPRPM to the Vice President for Administration and Chief Financial Officer for approval of the proposed concession.
 - e. The OPRPM will prepare all necessary contractual documents for execution by the parties involved.
 - f. The OPRPM will distribute copies of the fully-executed documents, as appropriate, and maintain official files for such documents.
4. General Guidelines For Proposals Relating to Concessions
- a. Concessions shall be allowed only where such operations shall not interfere with University programs and activities.
 - b. Conveyance of rights and interests to operate concessions on University premises shall require payment of consideration based on fair market value. Governmental agencies and non-profit organizations may be exempted from this requirement when it is determined to be in the best interests of the University.
 - c. Contracts relating to concessions shall be granted for a period of no more than 15 years, except that longer terms may be approved when it is determined to be in the best interests of the University.
 - d. All agreements involving concessions shall be in writing.

- e. Transferees of rights and interests to operate concessions on University premises shall indemnify the University and secure liability insurance to protect the University with policy limits as determined by the Vice President for Administration and Chief Financial Officer or his designee.

- f. In order to comply with State regulations in the vending of foodstuffs, the approval of each vending location, machine installation, and general operating procedures must be obtained from the University Environmental Health Officer prior to commencement of the vending operation. Coin-operated vending machine installation and operation for foodstuffs may be regulated by the food service contract in effect on the particular University campus. Consequently, requests for such machines must be routed to the Director of Auxiliary Enterprises (for Manoa) and Vice Chancellor for Administrative Affairs (for Hilo and Community Colleges) for evaluation. Requests for the installation of coin-operated vending machines elsewhere shall be directed to the OPRPM with all pertinent information. That office will either compete the requirement and award the contract or advise the applicable fiscal officer on accomplishing these tasks. It shall be the practice of the University to compete such requirements as widely as possible.