Queens University Dining Service Consultation
Strategic Direction for RFP

Executive Summary Report

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Prepared for:
Housing & Ancillary Services

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1.0 Introduction and Project Scope

Queens University has agreements in place with contract management companies to provide services to students, staff and visitors on campus through a variety of outlets including resident dining halls, retail food service venues and catering services as well as the management and operation of the Donald Gordon Conference Centre. These agreements are due to expire in June 2020.

Kaizen Foodservice Planning & Design was engaged by Queens University in October 2018 to provide a current state assessment, facilitate campus research, and document potential opportunities and best practices to consider for the next agreement. The first phase of work consisted of a strategic review and analysis of the current operations and market research. Findings of the Strategic Review and Analysis phase have been summarized in this report.

2.0 Current State Assessment

A review of all aspects of the Dining Services operations was undertaken. Key findings of the assessment are summarized below.

Contractual Framework

Currently, Housing and Ancillary Services manages agreements with two separate contracted food service providers for the provision of on-campus residence dining, retail food service and catering services and the provision of hospitality services at the Donald Gordon Conference Centre.

Upon review of the agreements the language and structure are generally aligned with industry standard. Going forward a consolidated agreement with established key performance indicators (KPIs) should be considered for ease of management and governance and drive improved performance.

Meal Plan Offering and Utilization

Queen’s currently has a robust meal plan offering with over 5,500 students purchasing a meal plan in FY2017-18. Of these, approximately 4,500 (81%) are mandatory residence dining plans.

The residential dining program includes 19 all-you-care-to-eat meals per week that can be used in all three resident dining halls supplemented with Trade a Meals (TAMs) and flex dollars that can be used in retail food service venues on campus.

In the 2017-18 academic year, students used the majority of meal swipes (58%) in one of the three dining halls, with Leonard Dining Hall the most frequently visited dining location. Students redeemed 42% of swipes in the form of TAMs. The most popular locations to use TAMs are the Lazy Scholar and Location 21.

Upper year students purchased 1,000 optional meal plans in 2017-18. Although 8 meal plan options are available to these students, the block plans with flex dollars are the most popular, representing 71% of the optional meal plans sold in 2017-18.
Going forward, Housing and Ancillary Services should consider marketing the value of the plans with greater meals and/or streamlining the optional meal plan offering to focus on the style of plans most desired by students (specifically block plans).

Venue, Concepts and Operations

For the most part the food service landscape is adequately distributed, with no major gaps in physical coverage of food venues across the campus.

Leonard and Ban Righ Dining Halls are well situated within the largest cluster of beds and supplemented with retail venues, Lazy Scholar and Location 21 in Victoria Hall and Smith House.

For the academic period 2019-20, Housing and Ancillary Services will be introducing meal swipe options at Market Street to better services residents of Botterall Hall.

The University has plans to build a new residence of approximately 316 beds, adjacent to Zones 1 and 2 on the diagram and anticipated to open in 2022. This population will put greater pressures on Leonard Hall Dining Hall, particularly in terms of customer throughput.

In terms of individual retail concepts, there are a combination of nationally branded and non-branded concepts on campus, with a strong branded coffee offering, consisting primarily of Tim Horton’s and Starbucks venues and an independent concept inspired by Chef Smith. During the time of the study a second Starbucks location was introduced on campus at Mitchell Hall. Given the venue was not operational during the time of the study, it has not been included in this assessment.

An evaluation of each concept was undertaken. The evaluation focused on financial performance, concept strength and popularity and alignment with customer needs. The table that follows provides a summary of our evaluation.
<table>
<thead>
<tr>
<th>Venues that should be targets for replacement and/or refresh</th>
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<tr>
<td>Quiznos (JDUC)</td>
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<tr>
<td>Teriyaki Express (Queens Ctr)</td>
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<tr>
<td>Market Street</td>
</tr>
<tr>
<td>Fast Lane in the New Medical Building</td>
</tr>
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</table>

Concept enhancements (particularly targeting current concepts that are under-performing or requiring refresh) may provide the opportunity to increase overall retail capture. In the case of the Canadian Grilling Co., this concept is a partnership between the current contract food service provider and Chef Smith. Any change in contract management provider would require the introduction of a new concept at this location.

Facilities and Investment Needs

Facility and capital needs were assessed in the context of the evaluation of the food service landscape and known or anticipated campus redevelopment projects. Anticipated capital needs are as follows:

- **JDUC Redevelopment**: This project, expected to begin construction in 2021 will provide an opportunity to enhance the KHAO concept and add two other food / café venues complete with increased seating and reconfigured kitchen and relocation of the grab and go commissary to either the West Campus Dining Hall Kitchen or a location off campus. A temporary Tim Hortons should also be considered during the construction period.

- **Queen’s Centre**: A new concept to replace the Teriyaki Express is recommended. There are plans underway to change out this brand by the 2020-21 academic year. A stand-alone airport style kiosk within the seating area to accommodate additional grab and go options could also be considered.

- **Market Street**: Opportunity to create a fresh specialty concept incorporating self-venting equipment and/or quick cook ovens given HVAC limitations.

- **MC2**: Opportunity to incorporate newer, missing brands on campus and change out of duplicate brands (i.e. Pita Pit and Pizza Pizza) which currently reside in the Queen’s Centre. There are plans underway to potentially change out these brands by the 2020-21 academic year.

- **Leonard Dining Hall Redevelopment**  This dining hall has not undergone any substantive changes to physical infrastructure since 2002. Added throughput capacity will be required to support new residence in close proximity to Leonard. The redevelopment of Leonard provides an opportunity to
create a more modern dining hall with enhanced seating and upgrade to back of house kitchen support.

- On-going repair and maintenance and mandatory national brand refresh.

### 3.0 Market Research Findings

As part of the Dining Services Consultation, qualitative and quantitative customer research was undertaken in the form of town hall sessions and an online survey. The primary objective was to gain insight on future desires and opportunities with respect to residence and on-campus retail food service offering and services.

The town halls consisted of six (6) two-hour sessions held over three days (March 4th, 5th and 6) at the following high traffic dining locations: Leonard Dining Hall, Ban Righ Dining Hall, Queen’s Centre, Jean Royce Dining Hall, Botterell Hall and Mackintosh Corry Hall. The format of engagement included an open style forum to encourage discussion around the following key topics: Concept and Venues, Menu Offering, Local, Sustainable / Eco Initiatives, Meal Plan Options and Structure, Marketing, Technology and Communication, and Operational or Service Considerations (i.e. hours of operation, payment methods, take away options, etc.)

A total of 775 unique comments were provided by the Queen’s campus community throughout the three-day period. The majority of comments fell into the categories of Menu Offering, Concepts and Venues and Meal Plan.

An online survey was released on March 4th and closed on March 22nd. A total of 1,062 survey responses were received. The survey responses provided a fair representation of the campus population including staff, faculty, and students. Over one third (38%) of respondents identified as members of the campus community with the remaining 62% of respondents coming from the resident student population.

The illustrations that follow provide a summary of the key themes from both the town hall sessions and campus survey, specifically the factors deemed most important to the on-campus customer base and concepts and services desired.

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*The Dining Experience - Qualitative Factors*

- Cultural Variety
- Healthy Options
- High Food Quality
- Flexible Meal Plan
- Local/Sustainable
- Diverse Menu
The chart below summarizes key themes identified in the Town Hall sessions:

<table>
<thead>
<tr>
<th>Menu Offering</th>
<th>Concept and Venues</th>
<th>Local, Sustainable / Eco Initiatives</th>
<th>Meal Plan</th>
<th>Other</th>
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</thead>
<tbody>
<tr>
<td>• Healthy choices</td>
<td>• Fresh ‘build your own’ sandwich/ salad</td>
<td>• Locally sourced foods/ transparent sourcing</td>
<td>• TAM flexibility/ customizability/</td>
<td>• Extended hours/ meal periods</td>
</tr>
<tr>
<td>• Fresh minimally processed</td>
<td>• Ethnic offerings such (Mexican / Eastern)</td>
<td>• Reusable cutlery net program/ incentives</td>
<td>• Options for carry over, guest meals</td>
<td>• Alternative payment methods (i.e. credit card)</td>
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<tr>
<td>• Protein options (lean meat/ plant-based)</td>
<td>• Quick serve/ popular fast food concepts</td>
<td>• Eco-friendly disposables</td>
<td>• More meal plan offerings (smaller plans, TAM/ Flex plans)</td>
<td>• Enhanced customer service</td>
</tr>
<tr>
<td>• Local/ sustainable</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Dietary accommodation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Cultural variety</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Menu diversity</td>
<td></td>
<td></td>
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Key findings of the online survey are as follows:

- Considerations for future meal plan purchases among both groups were centered around financial incentives (i.e. loyalty program/discount) and increased flexibility of plans (i.e. TAM / Flex dollars).
- Overall satisfaction with TAM offering, specifically the number of TAM’s available, convenience and ease of access, and perceived meal value. Primary reasons for using TAMs included convenience and increased variety.
- In terms of level of overall satisfaction, 70% of respondents reported being satisfied with current campus dining. High satisfaction levels were noted around location, atmosphere, cleanliness, and community experience and customer service.
- Potential opportunities for improvement in residence dining included increased variety, healthy options, culturally diverse options and presentation.
- The most important rated factors when eating on campus were variety of menu items and availability of healthy options. Other key factors included: environmental sustainability, vegetarian/vegan offerings, speed of service, and dietary accommodation.
4.0 Strategic Recommendations

Based on the assessment of the current operations and market research findings we provide the following recommendations:

a. Consider a single agreement for the provision of Hospitality Services across the entire campus as well as operation of the Donald Gordon Centre. A single agreement will create greater service synergy across the campus, provide opportunity to maximize service offering and concepts and greater ease in contract management.

b. Maintain a fee-based contracting model. The fee-based contracted service model provides the benefits of fully self-directing the operation while leveraging contractor resources and expertise in areas of procurement, health and safety (where current inspection scores are above 95%), human resources, food research and development, sustainability initiatives, franchise agreements / relationships, and equity/diversity.

c. Future agreements must include key performance indicators, metrics and risk-reward language to for ease of management and governance and drive improved performance.

d. Consider concept replacements and enhancements. Potential examples could include enhancements at Market Street at Botterell Hall and potential concepts replacements of duplicated brands at MC2 and Teriyaki Express at Queen’s Centre. The replacement of the Quizno’s at JDUC should also be considered as part of the JDUC redevelopment.

Through the RFP process we recommend providing contractors with a listing of the venues that are subject to enhancement and/or part of planned redevelopment initiatives (i.e. JDUC) along with the market research findings and invite them to recommend concept alterations that in their opinion would serve to maximize capture rate and respond to the findings of the research. Through the bid process, the University can also seek input from contractors on preliminary redevelopment plans for Leonard Dining Hall.

e. From a resident dining perspective, key enhancement considerations are as follows:
   - Continue to further encourage greater focus on fresh seasonal foods.
   - Continue to further encourage higher degree of lean proteins and plant-based options.
   - Assess dish and waste drop off areas and consider modifying to encourage student separation of waste, education and elimination of clutter.
   - Continual messaging and marketing of sustainability initiatives (local, sustainable, waste reduction strategies)
   - Encourage continual advancement of allergy free stations, accommodation of special diets and culturally diverse cuisine.
   - Continue to evaluate the meal plan offering taking into account current utilization and desires expressed through the market research.
f. The introduction of TAMs and recent elimination of meal period restrictions have created enhancements in the resident dining meal plan and offering. The current structure of the provides students with almost three swipes per day with no meal plan restrictions plus an ability to exchange meals in the form of TAMs on average six (6) times per week. It is recommended that at this time the block plan be maintained. Following the bid process, the University may wish to examine, in consultation with their contracted food service provider, any potential benefits to an all access approach to resident dining in lieu of the current set number of swipes. Several universities with all you care to eat dining programs have moved to all access rather than a set number of swipes per week. Typical advantages with an all access plan are lower food waste (decreased food waste) and increased customer satisfaction (due to increased flexibility).

g. Consider a capital re-investment plan with focus in the following three key areas:
   - Life cycle replacement: ongoing repair and maintenance, life cycle replacement and mandatory refresh of branded concepts
   - Strategic Investments: Relocation of Grab and Go Commissary in light of JDUC redevelopment, Leonard Hall renovation (to improve student satisfaction, showcase healthy, whole food and scratch cooking and increase throughput to support additional residence) and building of capital reserve to manage future capital projects
   - Revenue Generating or Service Level Enhancements: Concept enhancements to venues identified earlier in this report.