

FOOD SERVICE PLANNING GUIDELINES

**For General Fund Academic and Administrative Units &
Units Reporting to the Vice President for Student Life**



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OVERVIEW

This document outlines the process for proposing, planning, placing, and constructing food service operations on the Ann Arbor campus.

The goals of the process are to ensure that food service operations are planned and placed based on campus needs, potential market demand, ability to be as financially self-sustaining as possible, and on overall fit with campus master plans.

Additional goals of the process are to:

- Clarify the University’s decision-making process for planning and placing food service operations
- Ensure that a new food service operation aligns with the University’s mission, food service guiding principles, and feasibility criteria
- Promote productive use of existing facilities
- Ensure that food service needs are carefully analyzed
- Clarify the process and requirements for selecting suppliers and contractors
- Clarify University and supplier responsibilities for building out food service space
- Document the required approvals and inspections for compliance with building, life safety, and food safety codes

Who is Required to Follow These Guidelines

The food service planning process applies to General Fund academic and administrative units and units that report to the Vice President for Student Life on the Ann Arbor campus only. It does not apply to Athletics, the U-M Health System (i.e., U-M Hospitals and Health Centers), or the Dearborn and Flint campuses. Proposals for new food service operations may only be submitted for consideration by the dean's office (for schools and colleges) or unit leadership (for administrative units).

Student-Run Food Operations on Campus

The Office of the Provost and the Office of Vice President for Student Life are aware of a small number of existing student-run food service operations on the Ann Arbor campus. These operations have been granted special permission to continue operating with the understanding they are complying with current University and government rules, laws, and regulations related to food safety; fire and life safety; insurance and liability; and financial and tax reporting requirements. For the health and safety of the U-M community, the University has the right to end a student-run operation for any reason, particularly if the operation is unable to comply with the regulations noted above.

The University will no longer consider new student-run food service operations on campus. One-time food sales for fundraising purposes, e.g. a one-day bake sale, are possible at the discretion of the sponsoring school or college, in coordination with the U-M Department of Occupational Safety & Environmental Health (OSEH). Student groups should contact the business office or dean’s office of the sponsoring school and college for permission to pursue a one-day sale.

NOTES: The terms “food service” and “food service operation” used in this document refer to all types of food service operations, from full-service restaurants to beverage-only services, such as a coffee cart.

Roles & Responsibilities

Planning for a new food service operation on the Ann Arbor campus is a coordinated process. It involves a number of individuals and offices interested in meeting the food service needs of the University and ensures University the regulatory safety and fiscal responsibilities are met.

Table 1: Roles and Responsibilities

Role	Responsibilities
Unit	<ul style="list-style-type: none"> ▪ Identifies a critical need for food service and receives approval from the Dean or Director ▪ Understands the expectations and responsibilities of operating food service and consults with Food Service Review Committee chair before developing proposal to understand capital costs and other implications ▪ Develops a proposal that outlines the need, physical space vision, and financial estimates ▪ Submits the unit proposal for food service to the Food Service Review Committee ▪ Plays an active role during the procurement, supplier selection, site planning, design, construction, opening phases, and ongoing operations ▪ Complies with all campus standards and policies related to procuring, constructing, operating, and maintaining a food service operation
Food Service Review Committee	<ul style="list-style-type: none"> ▪ Reviews the food service proposal and ensures that the proposal meets institutional requirements for food service operations (campus food plans, guiding principles, feasibility considerations, and financial impact) ▪ Recommends approval/disapproval to the executive officer of the proposing unit ▪ Functions as a food service planning resource to the U-M community ▪ Includes representatives from the following offices: <ul style="list-style-type: none"> - Office of the Provost and Executive Vice President for Academic Affairs - Office of the Vice President for Student Life - Office of the Executive Vice President and Chief Financial Officer <ul style="list-style-type: none"> · Architecture, Engineering and Construction <ul style="list-style-type: none"> ▫ University Planner's Office ▫ Architecture and Engineering · Occupational Safety and Environmental Health (OSEH) · Procurement Services - Taubman College of Architecture and Urban Planning
Treasurer	<ul style="list-style-type: none"> ▪ Ensures that the purpose of the proposed food service and building location comply with the University's debt/bond issuance and tax-reporting requirements
The Executive Officer of the Proposing Unit	<ul style="list-style-type: none"> ▪ Considers the Food Service Review Committee recommendation and approves or denies the unit's food service proposal ▪ Approves the terms of any contract between a supplier and the University <p><i>Note: An executive officer designee may be appointed for this role.</i></p>
Procurement	<ul style="list-style-type: none"> ▪ Serves as the official U-M liaison to prospective suppliers ▪ Identifies suppliers that may meet the needs and scope of an approved proposal ▪ Works with units to create Requests for Proposal (RFP) or Requests for Information (RFI) for food service suppliers ▪ Coordinates the procurement and supplier selection process ▪ Obtains final approval of supplier and plan from the executive officer of proposing unit ▪ Signs all contracts on behalf of the University

Role	Responsibilities
Office of the General Counsel (OGC)	<ul style="list-style-type: none"> ▪ Reviews food service contracts prior to execution
Occupational Safety and Environmental Health (OSEH) Food Safety	<ul style="list-style-type: none"> ▪ Serves as the official U-M authority with jurisdiction for food safety code compliance and licensing ▪ Assesses the physical space of a proposed location to ensure it is conducive to food service ▪ Prior to the start of construction, reviews and approves architectural and construction plans, including layout, plumbing, electrical, heating, ventilation, air conditioning, materials list, equipment specifications, etc. ▪ Prior to the start of construction, reviews and approves food supplier equipment requirements and menus ▪ Prior to opening, reviews and approves the standard operating procedures, inspects the construction of the operation, and licenses the facility
U-M Fire Marshal (part of OSEH)	<ul style="list-style-type: none"> ▪ Serves as the official U-M authority with jurisdiction for life safety code compliance (unless the facility falls under the jurisdiction of Michigan Bureau of Fire Services) ▪ Assesses the physical space and construction plans prior to construction to ensure they comply with fire safety regulations ▪ Inspects the construction site and approves the completed facility
Code Inspection (part of OSEH)	<ul style="list-style-type: none"> ▪ Serves as the official U-M authority with jurisdiction for plumbing, ventilation and electrical improvements' code compliance and issues approvals for same ▪ Issues an occupancy permit after inspections
Architecture, Engineering & Construction (AEC)	<ul style="list-style-type: none"> ▪ AEC Construction Management (CM) and Architecture and Engineering (A&E) can be engaged to: <ul style="list-style-type: none"> - Assess the physical space of a proposed location to ensure it supports the proposed program in a way that complies with building codes and regulations for food service space or if improvements or alterations are required, can assist with budgeting for the changes. - Procure or provide design and engineering services if not provided by supplier - Coordinates mandatory design review and design approval of supplier designers or procured designers - Procure the services of general contractors if not provided by supplier - Coordinate the activities of AEC retained and procured contractors, manage contracts and purchase orders, and process requests for payment. (Note that AEC CM does not coordinate the work of supplier's retained contractor or self-performed labor.)
Supplier	<ul style="list-style-type: none"> ▪ The entity chosen by the U-M unit and Procurement to run the food service operation ▪ Works closely with the U-M unit, contractor, AEC and OSEH Food Safety in the planning, licensing, and build-out of the new operation. ▪ Retains final responsibility for the performance of supplier retained designers and contractors and the conformance of design and engineering documents and the implementation of physical improvements to codes, regulations and guidelines. <p><i>Note: In some cases, the supplier may be a U-M unit, i.e., M-Dining.</i></p>
Planner/Designer	<ul style="list-style-type: none"> ▪ The entity retained by the unit and supplier to plan and design the physical improvements proposed by the supplier in a manner that conforms to all codes and regulations and applicable University Guidelines. ▪ Works closely with all parties in the planning, licensing and build-out of the new operation

Role	Responsibilities
	<ul style="list-style-type: none"> ▪ Obtains planning and preconstruction permits and approvals. Certifies that the design documents conform to all applicable codes and regulations and meet the performance criteria of the supplier. <p><i>Note: In some cases, the designer may be a U-M unit, such as AEC Architecture and Engineering or may be procured through AEC.</i></p>
Contractor	<ul style="list-style-type: none"> ▪ The entity retained by the unit and supplier to implement the design and engineering improvements ▪ Works closely with all parties in the planning, licensing and build-out of the new operation ▪ Obtains permits and approvals and certifies that the construction improvements conform to the design documents and all applicable codes and regulations. ▪ Coordinates the work of own force and others under contractor's control and assumes the responsibility for personnel safety and protection of existing elements. ▪ Assumes the responsibility for the performance of the work, corrects errors and deficiencies in the work, and provides guarantees as appropriate. <p><i>Note: In some cases, the contractor may be a U-M unit, such as Plant Construction Services or may be procured through AEC.</i></p>

Required Review & Approvals

The following table provides an overview of the institutional and administrative approvals that are required in the food service planning process. The approvals are listed in the order in which they need to be obtained.

Table 2: Required Approvals

#	Approval Needed	Type of Approval	Description
1	Dean or director	Unit need for food	Validates that the unit need for a new or substantially different type of food service operation is fully supported by the unit leadership.
2	Executive officer of proposing unit* <i>(with recommendation from the Food Service Review Committee)</i>	Fit with campus food plan and guiding principles	Ensures that a proposed food service operation: <ul style="list-style-type: none"> • Meets an identified or potential need for food in specific campus location, based on campus food zones and inventories of existing food service operations • Meets the campus guiding principles and feasibility considerations • Is being proposed for a physical location that is appropriate for a food service operation (as determined by OSEH and AEC) • Complies with U-M debt/bond issuance and tax-reporting requirements as defined by the Treasurer's Office.
The remaining approvals are only needed if the Executive Officer supports pursuing a food operation			
3	Executive officer of proposing unit*, Procurement, (and AEC when engaged)	Request for Proposal (RFP)	Ensures that the RFP reflects the appropriate terms for building out the physical space and any lease arrangements.
4	Executive officer of proposing unit* and OGC	Selection of supplier and formal agreement	Ensures that the executive officer of proposing unit supports the selected food service operator and financial arrangement.
5	OSEH Food Safety, Fire Marshal, and Code Inspectors, and AEC (others for some facility types)	Construction plan	Ensures that the construction plan meets U-M and State of Michigan building, fire, and food safety codes and standards.
6	OSEH Food Safety	Food plan	Ensures that the food equipment specifications, menu, and standard operating procedures meet U-M and State of Michigan health and safety codes and standards for food operations.
7	OSEH Food Safety, U-M Fire Marshal, and Code Inspectors	Construction and equipment installation	Ensures that the construction and equipment installation meets U-M and State of Michigan building, fire, and food safety codes and standards.
8	OSEH Food Safety	Operating license	Ensures that the food service operation is licensed for operation by the State of Michigan.
9	OSEH Food Safety, AEC, executive officer of proposing unit*, others as necessary depending on proposed changes	Other changes to existing operations (if substantively changed; e.g. location, size, scale and scope of service)	Ensures that changes are congruent with codes, policies, and overall planning principles

* Or designee assigned by the executive officer

CAMPUS PLANNING PHILOSOPHIES & STRATEGIES

Decisions about food service proposals and determining the campus need and priority for placing a food service operation in a specific location take the following general factors into consideration. Some factors may be given greater consideration, based on the intended function of the food service operation.

- Provides food sustenance
- Provides a venue for social gathering
- Ensures the highest and best use of campus physical space
- Ensures institutional fiscal responsibility

Guiding Principles

When coordinating and planning food service operations on the Ann Arbor campus, the Food Service Review Committee seeks to:

Promote the highest and best use of space

- Be strategic in placing food service operations, based on known and expected building populations, traffic flow, and proximity to other campus or local food service operations.
- Provide food service operations that promote social or interdisciplinary gathering or are placed near areas where social or interdisciplinary gathering can occur easily.
- Encourage the development of food service operations that are open and easily accessible to all members of the University community.
- Encourage diversity in the types of food offerings, price points, service hours, and operators to address varying needs of the University community.

Promote good stewardship

- Encourage financial responsibility in the development and operation of food service venues on campus.
- Encourage environmental sustainability in the development and operation of food service venues on campus.

Ensure compliance

- Assure that new operations and changes to existing operations meet state and local codes, campus standards, and Food Service Planning Guidelines (e.g. changes in location, size, or nature, scale and scope of service).

Operational Considerations

The following financial and operational considerations are used when determining the institutional need and priority of a proposed food service operation. At a minimum, a food service operation should:

- Demonstrate that the new or modified venue meets an identified and defined campus need for food service operations relative to demand, diversity and support of social and interdisciplinary gathering principles.
- Include a business plan that provides a realistic projection for break-even operation (revenues cover all operating and overhead expenses), unless the executive officer of the proposing unit has specifically agreed in advance to provide an ongoing subsidy for compelling mission reasons.
- Demonstrate that the location of the proposed operation will complement, rather than compete with, existing food in the neighborhood (on and off campus). Additionally, include a conceptual plan and layout which conveys the suitability of the proposal (e.g. location within a facility, public/customer access, functions adjacent to the proposed locations)

- Clearly identify the resources and qualifications of the intended operator. Food service venues must be managed by individuals and departments knowledgeable of food service standards (i.e., food safety, sanitation, health codes, menu development, food presentation), whether University-operated or private/contracted.
- Include an overview operations plan that demonstrates the food service will be provided in a manner consistent the University’s standards of performance as well as all applicable regulations, whether University-managed or private/contracted and regardless of the oversight department.

The Food Service Review Committee assesses each proposal to ensure that food is placed intentionally and strategically, supporting and tying needs at the individual school or college level to nearby campus “neighborhoods” or zones to the overall campus community. The following table outlines the planning considerations used by the committee to help predict an operation’s ability to succeed.

Table 3: Considerations for Placing a Food Service Operation in a Specific Location

	Campus Community Building	Neighborhood Support	Local Convenience
<i>Socialization vs. Convenience</i>	Support socialization and interaction among diverse groups, people, and neighborhoods, drawing from all corners of campus	Support socialization of populations within specific neighborhoods while providing convenience	Provide convenience first, and social opportunities if space allows
<i>Financial Responsibility vs. Primary Purpose</i>	Fulfill primary purpose while striving for financial viability	Balance both financial viability and needs of neighborhood	Profitability takes higher priority over convenience
<i>Examples</i>	<ul style="list-style-type: none"> ▪ Michigan Union ▪ Pierpont Commons 	<ul style="list-style-type: none"> ▪ Hill Dining Center at Mosher Jordan 	<ul style="list-style-type: none"> ▪ Bert’s Café (Undergraduate Library) ▪ Mujo Café (Duderstadt Center)

PROCESS OVERVIEW

The process of proposing, reviewing, planning, constructing, opening, and operating a new food service location is complex and is defined in three phases:

- Unit proposal and institutional review
- Procurement and supplier selection
- Site planning, construction, and licensing

Phase 1: Unit Proposal and Institutional Review

The food service process begins when a unit identifies and describes a critical need for a food service operation and submits a proposal to the campus Food Service Review Committee.

*NOTE: Units interested in proposing a new food service operation should submit a **Food Service Request Form** and **Financial Pro Forma** to the Food Service Review Committee well in advance of desired implementation to begin the process. The form is available at www.foodplanning.umich.edu.*

The Food Service Review Committee assesses the proposal to determine if the proposed food service operation is in the best interest of the University as a whole. Using the guiding principles and feasibility considerations as the basis, the Food Service Review Committee determines:

- How a proposal fits in with the overall campus plan for food service
- If there is a potential market demand for the food service
- If the proposed operation can be financially self-sustaining or if subsidies are expected
- If the purpose of the proposed operation and building location comply with the University's debt/bond issuance and tax-reporting requirements.
- If the proposed physical location can appropriately support a food service operation (e.g. plumbing, storage)
- What impact the proposed operation might have on existing food service operations in the vicinity

By conducting this type of strategic planning analysis early in the process, all parties whose institutional resources are required in the planning, funding, build-out, and potential operation of a new food service can also provide their knowledge and expertise to determine the feasibility and likelihood of success. This type of upfront, strategic analysis enables the unit to better understand the potential of getting responses to a Request for Proposal (RFP) and having the operation succeed, and the financial impact, without going through the entire process only to find that suppliers are not interested in the opportunity or that the operation will need subsidies.

After this analysis is completed, the Food Service Review Committee makes a recommendation to the unit's executive officer. After reviewing the unit's proposal and the Committee's recommendation, the executive officer either endorses or denies the proposal. The executive officer or designee will then communicate the decision to the unit.

While the committee itself is no longer involved after this point, the sponsoring executive officer will designate a representative to remain involved through to project completion. This representative will initially assist in the procurement of a food service supplier, i.e. the RFP process, and this person may continue to work as a partner with the unit throughout the entire planning and construction process.

Phase 2: Procurement and Supplier Selection

During Phase 2, the unit works with Procurement to identify potential suppliers, and procure and select the successful supplier to run the operation. Procurement is the official U-M liaison between the unit and supplier during this phase. Units are expected to include the executive officer's representative through each phase of the process.

NOTE: Units are not permitted to contact or communicate directly with suppliers during this phase.

Build-Out Cost Estimates from AEC

AEC must be engaged to oversee all construction projects in University buildings, whether or not the University or the supplier is paying for the actual build-out costs. AEC should be engaged to evaluate the supplier's cost assumptions and to provide their initial build-out opinion of probable cost to the unit, based on University general requirements. A rough opinion of cost intended to fall within a range between -20% and +20% is provided as a free service by AEC. Complex investigations will incur a study fee and may entail the use of external consultants. If the new program will alter the heating, ventilation, air conditioning, plumbing or electrical infrastructure by increasing the load, or if the program will introduce hazards (e.g. gas) or hazardous material storage or disruption (odors, noise), AEC should be engaged to prepare a study that establishes the capacities and limits of the existing condition and suggests options to augment them to accommodate the proposed program.

This information is needed to ensure that the financial pro forma estimates include capital construction costs, which contribute to the overall financial picture for the food operation. In some cases, the combination of capital and operational expenses may be more than a supplier is willing to accept and may result in the supplier ending the process at this phase.

See Appendix A for additional information and clarification on unit and supplier build-out responsibilities.

Financial Model for General Fund Unit Contracts

A financial model has been established to ensure greater consistency in food service operator contracts for General Fund units, while allowing for some flexibility based on each situation. The goals of the model are to:

- Ensure that unit operating costs are covered for space allocated to a food service operation
- Leverage existing space and utilities calculations provided by the Office of Budget and Planning (OBP), where appropriate
- Give units an opportunity to capture a percentage of gross sales as an additional source of revenue (and to cover administrative costs), where appropriate

NOTE: For questions about the financial model, please e-mail space.utilization@umich.edu.

Required Supplier Costs and Fees for All Food Service Contracts in General Fund Buildings

The following costs must be paid or provided by the food service supplier in all contracts, unless otherwise agreed to by the unit's executive officer.

- Rent – Includes estimated space costs, estimated utilities costs, and a capital renewal fee for the square footage that the supplier occupies and uses.
 - *Space costs* - cover maintenance, custodial, refuse/recycling, grounds upkeep. This cost, calculated annually by OBP and unique to each unit, is based on the building and square footage occupied. It is a standardized figure that OBP, the Provost's Office, and units use when determining facilities costs.
 - *Utilities costs* – covers electricity, steam, natural gas, water, and sewer usage. This cost, calculated by OBP annually and unique to each unit, is based on the building and square footage

occupied. It is a standardized figure that OBP, the Provost's Office, and units use when determining utilities costs.

- *Capital renewal fee* – a standard per-square-foot fee that is charged to activity-based General Fund units (e.g., schools and colleges) as a contribution to the broader campus capital renewal needs of General Fund buildings.
- Equipment & Build-out – The responsibility of funding build out and equipment in food service locations depends on the nature of the unit:
 - *For all General Fund academic and administrative units*, it is the sole responsibility of the supplier to fund all build out and construction costs related to the food service venue and to purchase, maintain, repair, and replace equipment used in a food service operation. All requests for proposals (RFPs) and supplier agreements are required to reflect this supplier responsibility unless an exception is approved by the sponsoring executive officer (EO) or EO's designee. See Appendix A for additional information and clarification on unit and supplier build-out responsibilities.
 - *For units reporting to the Vice President for Student Life*, funding the cost of build-out or of purchasing, maintaining, repairing, and replacing equipment may be the responsibility of the supplier, the unit, or shared, depending on the nature and location of the operation.
- Financial Reporting – The supplier is required to report financial performance annually, following the U-M fiscal calendar that begins July 1st and ends June 30th. Financial reports need to have separate line items to indicate counter/dining sales and expenses and line items to indicate catering sales and expenses (if applicable).
- Contract End Date – The end date for all food service contracts in General Fund buildings should be April 30th, where possible. This enables the operation to continue through the academic year without disruption. If desired or needed, this end date also gives a unit and Procurement time to search for a new supplier during the spring or summer and have a new supplier in place before the start of the academic year in September.

Additional Contract Items

The unit's executive officer has the option of including the following items in a food service contract:

- Requiring a % of gross sales for counter/dining service
- Requiring a % of gross sales for catering service (if applicable)

Requiring a percentage of gross sales is negotiated on a case-by-case basis. It is highly dependent on many factors, such as the value and visibility of the location, the days/hours of operations, the potential profitability of the operation, if U-M paid for the build out and needs to recover these capital costs above and beyond the space, utilities, and capital renewal costs, etc. It is important that suppliers have the opportunity to become profitable for the operation to be successful. Thus, there may be cases where U-M allows the supplier to keep initial, reasonable profits to stabilize the start-up operation, but that revenue sharing beyond negotiated expectations or industry standards are expected by U-M.

Examples of % of gross sales models include a *flat rate*, where the unit and supplier negotiate a specific percentage of gross sales that is consistent for each year of the contract, or a *stepped rate*, where the percentage increases as the supplier's sales increase (e.g., 2% for gross sales up to \$200k, 3% for gross sales between \$201k and \$400k).

The actual percentage and model used for counter/dining service vs. catering service can vary, depending on what the unit and supplier consider fair and reasonable for the location and ability for the supplier to be successful.

NOTE: For questions about determining a reasonable % of gross sales to include, contact the Food Service Review Committee at food.service.planning@umich.edu.

How to Handle Supplier Funds Received

Some General Fund units may keep all funds received from the supplier; other General Fund units may keep only a portion of the funds received, depending on whether the unit is considered an activity-based unit (e.g., schools and colleges) or a non-activity based unit (libraries, Museum of Art).

- Activity-based General Fund units (e.g., schools and colleges) retain the funds received from the supplier for space, utilities, capital renewal and the % of gross sales, if included.
- Non-activity-based General Fund units (e.g., libraries, Museum of Art) must return the funds received from the supplier for space, utilities and capital renewal to the Office of Budget and Planning and the Provost's Office. However, these units may retain any % of gross sales received.

Phase 3: Site Planning, Construction, and Licensing

Phase 3 requires strict compliance with all applicable codes and regulations and also with the University Design Guidelines when construction will affect the building infrastructure outside of the food service area. This final phase occurs in two parts, as described below.

See Appendix A for additional information and clarification on unit and supplier build-out responsibilities.

Site Design, Planning and Approval

The unit and supplier define their specific requirements for the physical space and engage the services of AEC, who will assign either a design manager (DM) or project manager (PM). The DM/PM will “triage” the project and determine if AEC needs to be involved and if so to what level of service.

When the supplier will self-perform the design and construction, the AEC DM/PM will, at a minimum:

- Coordinate a formal review of the supplier's planning and construction documents (and will include OSEH Food Safety, University Fire Marshal, AEC architectural, mechanical and electrical engineers and others as deemed necessary) related to conformance to codes. If the facility falls under the jurisdiction of Michigan Bureau of Fire Safety, AEC will coordinate the various submittals required for their review and approval process.
- Issue written approval to proceed with demolition and construction work.
- Help procure OSEH and/or State inspection services and will help the unit's facility manager engage OSEH construction safety services.

If the supplier will not self-perform the design and/or construction, the AEC DM/PM will help procure these services. For very small projects (a food cart that requires only power, water and a sanitary line connection, for example), the AEC DM/PM may suggest the unit contract directly with Construction Services (CS) in lieu of setting up a project with AEC. In this case, the AEC DM/PM will provide a list of reviews and approvals that must be obtained either by CS and the unit. The supplier, in coordination with the unit, develops its food plan, which includes menu information, equipment list and specification, standard operating procedures (SOPs), etc. and submits it to OSEH Food Safety for health and operations review.

Before construction begins, OSEH Food Safety must review the construction documents and food plan to determine if they comply with applicable safety codes and regulations. After OSEH approves the plans, they issue a formal written approval for construction to begin either through the AEC DM/PM or directly to the unit if the project is small and AEC is not involved.

Construction, Licensing, Inspection and Opening

The assigned build-out contractor, unit, and food supplier (and the AEC DM/PM, if participating) work closely to ensure that the construction and equipment installation goes smoothly, stays on schedule, and stays within budget. During mid-construction inspections, AEC and OSEH (and, if the project is in a classroom, dormitory or clinical building, the State of Michigan Bureau of Fire Safety) inspectors ensure compliance with all building and construction codes.

When the construction is complete or near completion, final building, fire and food safety inspections and licensing occurs. Refer to “Expected Timeframes” in this document, for specific information.

If the supplier is self-performing the construction, AEC will coordinate construction activities and assist the contractor with scheduling required inspections, securing permits and approvals and maintaining compliance with University guidelines.

If AEC is procuring the contractor, then AEC will manage the bid and award process and will assign a project manager to oversee contractor performance, ensure compliance, and manage the budget according to AEC standards. If Construction Services (CS) serves as contractor, CS will maintain responsibility for project construction controls, inspections and approvals.

The unit and food supplier will coordinate and obtain all food service related inspections, approvals and licenses through OSEH, independent of the construction administration services of AEC. Refer to “Expected Timeframes” in this document for specific info.

EXPECTED TIMEFRAMES

The overall process (from identifying unit needs, preparing a request for proposal (RFP), completing build out, conducting site inspections, etc.) varies, depending on whether the project is a minor renovation of an existing space or part of a new building construction project. Less complex build-outs in existing buildings with facility infrastructure already in place to support food service may be approved and installed in a matter of a few months. More complex proposals with unique supplier needs, facility infrastructure challenges, or complicated negotiation processes may take up to a year. Food service desired in new buildings should be discussed with AEC before submittal to the Food Service Review Committee.

Table 4: Expected Timeframes by Phase

Phase	Expected Timeframes
Phase 1: Unit Proposal and Institutional Review	<p>Units wishing to propose a new food service location may submit the <i>Food Service Request Form</i> and <i>Financial Pro Forma</i> to the Food Service Review Committee any time during the year. The sequence of submission and institutional reviews occurs as follows:</p> <ul style="list-style-type: none"> ▪ Once the <i>Food Service Request Form</i> and <i>Financial Pro Forma</i> are submitted to the Food Service Review Committee, the committee will assess the proposal and make a recommendation to the executive officer (EO) who supervises the proposing unit. Depending on the time of year, the proposing unit will generally hear of an EO decision within 60 days of submitting a proposal. ▪ If the unit's proposal is approved, it should schedule the Project Review Meeting with the EO-designated representative and/or the Food Service Review Committee, at which further details about subsequent steps and costs will be shared.
Phase 2: Procurement and Supplier Selection	<p>The process of preparing and releasing RFPs, the time to coordinate pre-proposal meetings, supplier presentations and availability, final selection, AEC build-out estimates, a supplier approved financial pro forma, and contract negotiation depends on the number of interested suppliers and the level of complexity of the project. This phase can take anywhere from six months to over a year.</p>
Phase 3: Site Planning, Construction and Licensing	<p>There is no set timeframe for the site planning and design phase as it is dependent on facility conditions and project complexity; however, once the planning process has begun and a contractor has been selected, certain approvals need to happen in a specific sequence:</p> <ul style="list-style-type: none"> ▪ Before construction may begin: <ul style="list-style-type: none"> - OSEH Food Safety must review and approve of all architectural/construction plans and operational plans, such as menus, equipment lists. The supplier and contractor must receive written approval before construction may begin. - When an AEC design or project manager is involved, AEC will coordinate a formal, on-line, plan review for constructability and life safety and will deliver to the designer of record formal comments from reviewers. The designer is compelled to satisfactorily respond to comments and questions and provide revised documents incorporating changes for re-review before approval can be granted. When the construction is subject to the approval of "authorities having jurisdiction" outside the University, generally a formal document from the authority will indicate approval by that authority. ▪ Prior to opening the food service operation: <ul style="list-style-type: none"> - Construction must be shown to conform to the approved plans and specifications. Deviations must be approved in advance and approved in writing by the authority have jurisdiction over the subject being altered. Significant deviations may require re-review and re-approval and may cause a stoppage of construction work. - The contractor must request and pass a final building code inspection by OSEH Code Inspectors.. - The contractor must request and pass a fire safety inspection by the OSEH Fire Marshal and possibly also by the state of Michigan Bureau of Fire Services. - The supplier must apply for an operator's license from OSEH Food Safety 30 days before opening. - The supplier must request and pass a pre-opening inspection by OSEH Food Safety. Once passed, OSEH will issue a food operator's license and the facility may open.

CONTACTS

The following resources are available to assist you during the three phases of proposing, planning, and constructing a food service operation:

Table 5: Contacts and Forms for Specific Phases

Phase 1: Proposal & Institutional Review		
Contact	Loren Rullman Associate Vice President for Student Life Food Service Review Committee Chair foodplanning@umich.edu 734.763.1291 www.foodplanning.umich.edu	
Phase 2: Procurement & Supplier Selection		
Contact	Gabriel Benitez Procurement Agent Procurement Services gbenitez@umich.edu 734.615.5961	
Phase 3: Planning, Construction, & Licensing		
Contact	<i>Design and Construction</i> David Stockson Manager Architecture, Engineering, and Construction stockson@umich.edu 734.764.3414	<i>Food and Fire Safety</i> Pam Koczman Manager Occupational Safety and Environmental Health pkoczman@umich.edu 734.647.1139

APPENDIX A: FOOD SERVICE BUILD-OUT RESPONSIBILITIES

This appendix was written to clarify the roles, responsibilities, and scope of work permitted when a unit is approved to build out a food service operation.

Unit Role, Responsibilities, and Scope of Work

Units, in coordination with its selected future supplier, may only begin designing and constructing a food service operation after receiving written approval to do so from the Food Service Review Committee and sponsoring executive officer. In most cases, the approval will support designing and constructing a “white box” space only and require the food service supplier to contribute to finishing and equipping the space.

The process for defining the white box space varies depending on if the operation is intended for a new building that is being designed or if it is intended for an existing building. In either situation, a white box space typically includes the following:

- Drywall finished room or space
- Stubbed utility connections to the space
- Standard building finishes (i.e. flooring, wall and ceiling)
- Standard building lighting
- Drainage locations
- Jacks and/or wiring for telecommunications (data, phone, and wi-fi)
- Guest furniture, such as tables and seating open to the public (i.e. not used exclusively for the food service operation)
- Security gate or lockable door or card reader if required for facilities security
- Access to building trash and recycling locations
- Access to storage

White Box Design and Construction in New Campus Space

Units that have been approved to place a new food service operation in a major capital project (new building, major renovation, or building addition) are required to work with the Food Service Planning Committee to define the general scope and scale of the operation. The committee may recommend that the unit engage a food service consultant or other expert who can plan and design an operation that has the greatest chance for success in the building’s location and who can define the white box requirements needed by AEC and the project architect for the building’s schematic and detailed designs.

In most cases, planning a white box space for a capital project occurs a few years before it’s time to actually select the food service supplier. It’s important to design the white box space so that it can be used with two uses in mind: one use as a food service operation and another use that is not related to food service (e.g., a meeting room), just in case no supplier expresses interest in operating a food service in the building.

White Box Construction in Existing Campus Space

When units are seeking to place a food service operation in an existing building, they are repurposing space for this need. For example, the unit may be interested in converting a vending machine room or storage room to a food service operation. Most existing campus space will not be in a white box condition and will require modifications. This type of white box build-out should be the supplier’s responsibility. In some cases, a unit may request an exception and approval from the sponsoring executive officer (e.g., the provost) to subsidize the build out needed to bring the space to a white box standard.

Food Service Supplier Role, Responsibilities, and Scope of Work

The food service supplier is responsible for all construction needed to bring a space to the supplier's specifications. In some cases, the University may provide a white box finished space for the supplier. (See section above for details and required approvals.)

A supplier's build out typically includes:

- Design fees associated with a supplier's specific plans for the build-out
- All construction and associated labor, including changes or modifications to white box space, if a white box is provided
- Special finishes (floor, wall and ceiling) required by the supplier for food service*
- Specialized lighting that differs from the building standard*
- Signage*
- Casework and countertops
- All equipment and appliances, including:
 - Appliances for cooking, refrigeration, beverage making (e.g. refrigerated display cases, espresso and coffee makers, soup warmers, freezers, and refrigerators)
 - Point-of-sale system
 - Audio-visual systems (sound systems, TV's and electronic menu boards and associated infrastructure)
 - Shelving for storage
 - Display fixtures and cases
 - Pot sinks, hand sinks, floor sinks, etc.
- Guest furniture, such as tables and seating, available only to food service customers
- Plan review and construction inspection fees
- Food safety / food inspections and licensing fees
- All other labor costs for any of the above items
- All future construction or equipment upgrades required to comply with food safety regulatory changes.

* *Selection of public-facing finishes, changes to lighting, and the design and installation of signage require coordination with and approval from the University.*

Other Space-Related Items for the University and Supplier to Consider

Food service operators typically need and request the following additional spaces to support their operation. These types of spaces may or may not be available to a food service supplier outside of the designated food service area, depending on the availability of space within the building:

- Office space
- Storage space
- Dedicated janitorial closet (access to a shared closet will be provided by the University)

APPENDIX B: MEASURING THE PERFORMANCE OF AN OPERATION

There are a number of factors that contribute to the success of food service operations, such as quality of food, customer satisfaction, overall ambiance, financial viability, and so on... Included below are tips for monitoring a food service operation's financial performance and customer satisfaction.

Financial Performance

While not every factor is easily measured or quantifiable, units are encouraged to use the following three basic metrics to monitor the financial performance of an operation:

- Monthly and annual gross revenue (the total of all revenues before deductions for expenses)
- Monthly and annual net revenue, profits, and commissions (revenues minus operating costs)
- Monthly and annual customer transactions (total customers served during a 12 month period)

Though success cannot be measured only by the above three metrics, these are ones that are commonly used in the food service industry and can be calculated quite easily. Access to the above information is dependent on the agreement established between the U-M and the food service supplier. When negotiating contracts with suppliers, the unit should work with Procurement to ensure language requiring these metrics are included.

For more information on or assistance with gathering, estimating, or interpreting the information required for the above metrics, contact the Food Service Review Committee chair at foodplanning@umich.edu.

Customer Satisfaction

Customer satisfaction surveys are another effective way to gauge the more qualitative factors related to food service. While most suppliers regularly conduct such surveys, Procurement and the unit should still request regular satisfaction surveys when negotiating contracts with suppliers. Units may also consider conducting internal surveys, whether or not the supplier conducts its own. Refer to Appendix C for a sample customer satisfaction survey.

APPENDIX C: SAMPLE CUSTOMER SATISFACTION SURVEY

How Are We Doing?

Your opinion is very important to us and we'd like to know what you think. Please take 5 minutes to complete this short survey of our products and service. Thank you for being a valuable part of our store, we hope we can serve you even better in the future.

Please indicate your level of satisfaction in the following areas:

The Food/Beverages:	Excellent	Good	Average	Below Average	Poor
The food temperature and freshness:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The menu's variety of items:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The quality of food/beverage was:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The food/beverage taste and flavor:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How would you rate your meal overall:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How would you rate the value of your meal:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

The Customer Service:	Excellent	Good	Average	Below Average	Poor
Completion and correctness of order:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Courteousness and friendliness of staff:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Knowledge level of products/services:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Promptness of service:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The attentiveness of the staff:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cleanliness of dining area and operation:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Please rate your visit on value of service:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

How often do you dine with us?

- Daily
- Weekly
- Monthly
- Once a Semester
- First Time
- Other _____

Would you recommend us to your friends or colleagues?

- Definitely
- Probably
- Probably Not
- Definitely Not
- Not Sure

What is your favorite item on our menu? _____

What would you like to see on our menu? _____

Do you have any other suggestions? _____
